FINANCIAL TIMES

Start the week A



Headhunters Lured by respectability

Management, Page 12

Russia's palaces In need of care and attention

Architecture, Page 16



New Zealand Banks break with tradition

Today's survey Revitalising South London Pages 7-10

MONDAY JANUARY 8 1996

US air traffic

The largest snowstorm in decades has hit the eastern US. The National Weather Service predicted up to 30 inches (76cm) of snow for the area around Washington DC, which bore the brunt of the storm, and said zero visibility had virtually closed traffic by air along the east coast corridor. Blizzard warnings were issued from western Virginia to New York, including parts of Delaware, Pennsylvania

Intel admits chip speed error: The world's largest chip manufacturer Intel said it was "truly sorry" for false results that overstated the performance of some of its newest Pentium chips by about 10 per cent. Page 21

London exchange faces more conflict: The London Stock Exchange faces further conflict over trading reforms as investment banks prepare to block a choice of methods for trading shares. The row follows last week's dismissal of the exchange's chief executive Michael Lawrence. Page 20

Arafat accuses Israel: PLO chairman Yasser Arafat accused Israel of Friday's killing of the Hamas militant Yahya Ayyash, calling it a violation of the israeli-PLO peace agreement.

Three share UK lottery jackpot: Nine out of 10 UK adults took part in the country's National Lottery on Saturday, in search of a share of the record £42m (\$64.7m) jackpot. Three tickets will share the biggest prize. Page 5

US product liability awards cut: US juries have been awarding considerably smaller amounts to people who claim to have been harmed by defective products. Page 4

Goldman Sachs, the investment bank, is close to buying AMF, the US's biggest operator of bowling

Seven kiiled in Karachi blast



Seven people were killed and 35 injured when a bomb exploded on a bus in the southern Pakistani city of Karachi, police said. Doctors said the death toll could rise. Sindh province chief minister Abdullah Shah blamed unspecified terrorists.

Japan may seek Airbus deskon review Japan is expected to request a review of the design of the Airbus A300-600, following an investigation into a 1994 China Airlines crash in which 264 people died, according to the Japanese national daily, the Yomiuri Shimbun. Page 3

ladian PM confirms April p III: P.V. Narisimha Rao, India's prime minister, said he would "definitely" take the country to the polls in April, though a final date remained to be fixed. Page 3

Brazil buyer for failed bank: Brazil's Banco Excel has reached an agreement in principle to acquire Banco Econômico, which last year nearly collapsed. Page 4

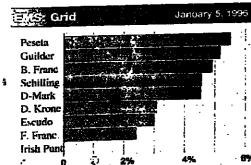
Granada considers next Forte bid move: UK leisure group Granada will decide today how to continue its £3.3bn (\$5.1bn) hostile takeover battle for Forte, the UK's largest hotels group. The most

likely move seems to be a rise in the bid. Page 21 China silent on Li visa: China has given no response to the US decision to issue a transit visa to Li Yuan-zu, Taiwan's vice-president. Page 3

Sinn Féin accused on murders: Sinn Féin, political wing of the IRA, was accused by UK prime minister John Major of directing recent murders in Northern Ireland by a group claiming to be fighting the drugs trade. Page 5

Lincoln Kirstein, joint founder of New York City Ballet, has died in New York, aged 87. His crowning achievement was his role in establishing classical ballet as an American art. Obituary, Page 17

European Monetary Systems The peseta last week managed to climb to the top of the EMS grid. helped by a firmer dollar. The Austrian schilling also moved above the D-Mark, which was generally weaker as the dollar rallied. There was little change to the spread between strongest and weakest currencies. Currencies, Page 29



The chart shows the member currencies of the exchange rate mechanism measured against the weakest currency in the system. Most of the currencies are permitted to fluctuate within 15 per cent of agreed central rates against the other members of the mechanism. The exceptions are the D-Mark and the quilder which move in a 2.25 per cent band.

Creek Pr. KASO Iranel Shk7.90 Orean	MOIn16 Pl 4.75 Nairs90 NK/2000 OR1.50 Pax60 ZI550 (fand)	Turkey L	SR12 S\$4.30 S\$65 R12.00 Pt250 S\$620 S\$620 S\$65.00
-------------------------------------	---	----------	---

Biggest snowstorm Clinton's budget plan rejected for decades hits

US Republicans yesterday rejected President Bill Clinton's latest budget plan, as Mr Robert Rubin, the US Treasury secretary, warned that without agree-ment by mid-February he might be unable to prevent a US debt

Mr Clinton's new plan is based on proposals by Senate Demo-crats which include smaller tax cuts than the Republicans are demanding. Other provisions include a cut of \$102bn from healthcare programmes for the elderly, less than half that requested by Republicans.

The White House said the president's plan "clearly shows" that the budget could be balanced in seven years using Congressional Budget Office (CBO) estimates, without deep cuts in health and

shutdown as Rubin warns of debt default

seven years, while the Republicans are demanding \$245bn in tax reductions. Senior Republicans expressed some satisfaction that Mr Clinton had submitted a balanced budget proposal, but still strongly disagreed

leaders on Saturday night and is expected to hold further discussions with them today, but they are still far from agreement. On public payroll for 760,000 work-

Mr Tom DeLay, the Republican

whip in the House of Representatives, yesterday derided the president's latest plan, his fifth, although Mr Clinton had com-plied with congressional

However, the plan called for \$400bn more in spending than the proposed Republican budget, and constrated that Mr Clinton is "a liberal Democrat who wants to continue spending", Mr DeLay

demands for a balanced budget in seven years using the CBO esti-

For two months, the Republican-controlled Congress has refused to pass a measure raising the limit on a national debt without agreement by the president

to balance the US budget by 2002. Mr Rubin has only avoided a default by underinvesting in gov-ernment pension funds. Mr Rubin, who said the US was

"okay" in servicing debts until mid-February, insisted yesterday that he had acted within the law to avoid a default and dismissed Republican calls for his impeach-

He said he would continue to search for a strategy to avoid default using means approved by the Treasury's lawyers: "We have not yet found a measure that is fully compliant with all the requisite statutory authorities, but we are working full board to get us beyond that period."

Celebration for ANC's 84th birthday

The tactics used to avoid a default have inturiated Republi-cans, who had expected that the threat would bring the president to his knees weeks ago. Instead the longest government shut-down in history has hurt the Republicans' standing in the

Mr DeLay accused Mr Rubin of "looting the pensions funds" and also denied yesterday that the Republicans had retreated by approving legislation on Friday that would allow the government to reopen until January 26.
"We haven't retreated, and we

haven't caved in," Mr DeLay said. "We made the president lay a budget on the table, he should have laid out back in November." He said House Republicans had concluded Mr Clinton did not really want a balanced budget.

Budget analysis, Page 4 Lex, Page 20

Japanese coalition to support **Hashimoto** as new PM

Leaders of Japan's three ruling coalition parties are today due to endorse Mr Ryutaro Hashimoto, the combative president of the Liberal Democratic party, as next prime minister.

This will pave the way for Mr Hashimoto, who takes a tough line against foreign trade pressure, to win the support of parlia-ment - where the coalition has a majority in both houses, in a vote on Thursday.

The coalition accord, which

also includes the new government's policy manifesto, follows the surprise resignation on Fri-day of Mr Tomichi Murayama, Japan's socialist leader.

Mr Hashimoto plans immediately after the vote to announce a radical cabinet reshuffle designed to tighten the LDP's grip on government, according to party officials. Yesterday's pact was made possible by compromises from the LDP, the dominant member of a disparate coalition which groups Mr Murayama's Social Democratic party and the left-leaning New Harbinger party (NHP). Neither of the LDP's two

smaller partners share Mr Hashimoto's eagerness to go to the polls and the LDP itself is divided on when to face a general elec-tion. But both Mr Murayama and Mr Masayoshi Takemura, leader of the NHP, acknowledged Mr Hashimuto as the coalition candi-

date for new leader yesterday.
The LDP also agreed, to satisfy the NHP, to "make efforts" to clarify who was to blame for the near bankiuptcy of seven housing loan companies which have had to be wound up with the controversial help of at least Y685bn (\$6.7bn) from public

This is a bolder promise than it sounds, because the housing loan companies were in Mr Hashimoto's charge when he was finance minister from 1989 to 1991, when their lending to overvalued property schemes peaked. The coalition's decision to hold

Continued on Page 20 Coalition sets out agenda, Page 3 Editorial Comment, Page 19

on to power will be unpopular.

Republicans deride fifth attempt to end

The plan submitted by Mr Clinton provides for tax cuts of \$87bn

with the details.

Mr Clinton met Republican

Saturday, he also signed two bills that provided for a return to the

Yeltsin draws up list of candidates for Kozyrev's job

By John Thomhill in Moscow

President Boris Yeltsin has begun the search for a new foreign minister whose appointment is expected to signify a change in style rather than substance in Russia's foreign policy.
Observers of the Russian politi-

cal scene have already suggested several possible replacements. from the ranks of diplomats, parliamentarians and presidential aides, for Mr Andrei Kozyrev who resigned on Friday. Mr Victor Chernomyrdin, the

prime minister, last week held meetings with the leaders of the biggest parliamentary factions in which it is believed he discussed possible cabinet changes. However, Mr Yeltsin's spokes-man has stressed that Mr Kozyr-

ev's departure resulted from his "mistakes" and did not signify a shift in Russian foreign policy. Mr Kozyrev, Mr Yeltsin's longestserving minister, had been criticmonths for not defending Russian interests more vigorously.

Nonetheless, Mr Yeltsin's choice of a successor will be analysed abroad for clues about the mood in the Kremlin after the strong showing of communists and ultra-nationalists in last month's parliamentary elections.

Foreign policy observers suggested the ideal candidate must fulfil three functions: command the trust of Mr Yeltsin, win the respect of the more nationally minded parliament and maintain good relations with the

towards the former Yugoslavia. Mr Yeltsin may be tempted to appoint a relatively colourless career diplomat, such as Mr Igor Ivanov, first deputy foreign min-ister, or Mr Vitaly Churkin, ambassador to Brussels. Both these men have spoken for Russia in negotiations over the fate

of the former Yugoslavia. Such candidates would be unlikely to prove offensive to parliament, but could be closely controlled by the president. Mr Yeltsin recently created a foreign policy council, independent of the Ministry of Foreign Affairs, which is expected to play a big-ger role in developing foreign pol-

However, the president could opt for a more influential diplomat who has well-articulated views about Russia's international role. Some western diplomats have tipped Mr Anatoly Adamishin, ambassador to the Last year Mr Adamishin was

recalled for talks at Mr Yeltsin's holiday home in Sochi, prompting speculation that he might play a more prominent role in Russian foreign policy.

Another candidate of similar

stature and nationalist outlook is Mr Yuli Vorontsov, ambassador to the US, who has played an important role in nuclear disarmament talks. The third option may be for Mr

> Continued on Page 20 Cloudy crystal ball, Page 2

Mandela celebrates the 84th birthday of his ruling African National Congress with South African musician Condry Sigubu. In his annual policy statement Mr Mandela called on his rivals to co-operate in the transition to majority rule

Germany's FDP pledges tax cuts in fight for survival

Germany's small, liberal Free Democratic party has staked its political survival on securing an early cut in income taxes, despite the risk of conflict with its Christian Democrat and Christian Social Union partners in the federal government coalition.

At the party's traditional newyear meeting in Stuttgart, Mr Wolfgang Gerhardt, the FDP chairman, insisted a start be made next year on ending the hated "solidarity surcharge". This adds 7.5 per cent to income tax bills to finance restructuring of the east German economy.

Declaring that lower taxes and reduced spending were the way to create jobs, Mr Gerhardt said elimination of the surcharge would be the "decisive signal" for fostering individual initiative and reducing public sector involvement in the German economy.

His words could strain relations between the FDP, the junior coalition partner in Bonn, and Mr Theo Waigel, the finance minis-

Guide to if

ter and CSU leader, who yester-day again ruled out an early cut in the surcharge. Mr Waigel fears that such action could push Germany's budget deficit above the Maastricht ceiling of 3 per cent of gross domestic product.

However, the FDP has little option but to pursue distinct policies, even though they could bring confrontation. After 12 state election defeats,

the party is facing an important test on March 24 when voters in Baden Württemberg, Rhineland Palatinate and Schieswig Holstein go to the polls. It needs 5 per cent of the votes in each state to be represented in their parliaments, but a national opinion poll published in the newspa-per Die Woche last week gave the FDP just 3 per cent support.

Failure to secure the 5 per cent needed in one or more of the elections could renew internal strife in the party, which last month saw the resignation of left-of-cen-tre Ms Sabine Leutheusser-Schnarrenberger from the post of justice minister in Bonn. A split

in the FDP could threaten the coalition of Chancellor Helmut Kohl, which has a majority of just 10 seats in the Bundestag, the lower house of parliament.

The policy of differentiating the FDP from its coalition partterwelle, the party's ambitious 34-year-old general secretary. At Saturday's meeting, he poured scorn on the CDU and CSU for, in effect, being social democratic parties while marking out the FDP as the party of the individ-Other speakers also underlined the FDP's independent status. Mr

Klaus Kinkel, the foreign minis-ter and former FDP leader, declared that the party would be loyal to the Bonn coalition but that its partners should realise it had its own views and pride. As if to emphasise the point, he adopted a more strident tone than usual on several foreign pol-

icy issues. He condemned Fre nuclear tests and demanded that Russian president Boris Yeltsin halt the war in Chechnya.

	WREAST	
Nors 2	Week Aheed	Business Travel
ic News 3	Feetures	Arts Guide
13 News 4	Leader Page 19	Crossword
5	Letters 18	Companies
20	Observer	UKint
to Yicek	Management	Markets
/People	Media Futures	The Markets
viociure	Aris	Emerging Markets

© THE FINANCIAL TIMES LIMITED 1996 No 32,876 Week No 2 LONDON - LEEDS - PARIS - FRANKFORT - STOCKBOLIN - MADRID - NEW YORK - LOS ANGRES - TOKYT

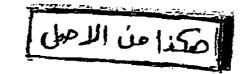
"Ive had to fly sit in taxis, attend meetings and live on snacks for 24 hours straight. Now what?"



Now, you decompress at a Four Sessons Hotel, where the demands of business feel less demanding. A suit pressed in an hour? A plane ticket in initiates? A presentation with computer graphics? We're at your service 24 hours a day. Our menus offer selections from low-lat linguine with tornato and basil, to rack of lamb, to homemade chicken soup. And our health chubs and pools are equally irresistible after endless hours of travel. For in this value-conscious era, the demands of husiness them and nothing less.

FOUR SEASONS HOTELS For reservations, telephone your travel counsellor or call us toll free.

Four Sections Regard. Defining the art of service at 40 holds in 19 countries



22,23

Italy ensures turbulent backdrop for EU

he Italian prime minis-ter's office has been thoughtful enough to distribute a simple but elegant diary for 1996.

It contains a list of names and telephone numbers of all members of the government, headed by Mr Lamberto Dini as prime minister. As the country's politicians debate the future of Mr Dini, who tendered his resignation just before the new year, some might accuse the prime minis-

ter's office of optimism. Certainly Mr Jacques Santer, president of the European Commission, who meets Mr Dini in Rome today for the first formal session of the Italian presidency of the EU, must be wondering whether Mr Dini will be his interlocutor for the next six months. Matters will be unclear for up to two weeks. Mr Dini has staked his claim

to continue in office - with a reshuffled cabinet, if necessary – on the grounds that he is the most suitable figure to guide Italy during the EU presidency. through the 15 member states. Already he has left his mark

Rome's presidency of the Union is likely to be hampered by uncertainty surrounding Dini's future, writes Robert Graham

by ensuring his home town of Florence is the site of the main council meeting, while Turin. the native city of Ms Susanna Agnelli, his foreign minister, has been chosen to hold the opening of the intergovernmental conference (IGC).

However, as all the political leaders admit in private, maintaining Mr Dini with a stable government for the duration of the EU presidency is merely a means of postponing the date of a general election until at least June.
The EU presidency only

emerged as a factor in domestic politics last autumn. Before then, most politicians representing a wide swathe of opin-ion raised no objection to an election in February or March. This would have meant the first part of the presidency being taken up with campaigning and the latter half with

Even those who now advocate holding elections in June - principally the centre-left coalition that has backed Mr Dini - recognise this means having a caretaker government for the latter part of the presidency. Given that parliament has to be dissolved at least 45 days before an election, there

ment from early April. Whatever the scenario it will be difficult for Mr Dini, or any other government, not to be distracted by a turbulent domestic backdrop. If he is confirmed in office, Mr Dini, a former director general of the Bank of Italy, will be the first non-elected figure to head an EU presidency.

would be no executive govern-

The preoccupation with domestic politics has ensured that Italy has given little thought at the political level to any serious initiative during work and claim to have pre- uncomplicated presidency.

pared the agenda minutely. Compared with Italy's previous presidency, rather more input has come from the prime minister's office.

This is because the upper echelons of the foreign ministry were left divided by the experience of Mr Antonio Martino as minister under the 1994 Berlusconi government: Mr Martino, for the first time, introduced a strong dose of Euro-scepticism into EU policy. Mr Dini over the past year has been concerned to bring Italy back toward the mainstream.

Thus, despite government uncertainties, the Italian presidency is unlikely to reflect any of the Martino era Euro-sceptic ethos. Furthermore, officials point out that the absence of contentious issues on which decisions have to be taken over the next six months, combined with the low-profile presidency

This view is shared by Italy's main partners in Brussels.

The main event will be the opening of the IGC at Turin on March 29-30. It is probably too late for it to be much more than a symbolic occasion for a restatement of faith in the European ideal, Nevertheless, the Italian government may well use the occasion to produce some fresh ideas on economic convergence criteria which would reflect the country's problems of compliance with the current Maastricht norms by 1998.

Italy is expected to do its best to carry forward the Mediterranean initiatives begun by the Spanish at Barcelona in November, the centre-piece of which was the beginnings of a free trade zone between the EU and 12 Middle Eastern and North African states. The Italians will also probably raise higher up the agenda.
It is also likely that they will give more attention to the question of employment - both to demonstrate to the Italian public that Europe cares about a key domestic issue, and to give new impetus to the Delors white paper on jobs competi-tiveness and growth. This was prepared under the then Commission president, Mr Jacques Delors, in 1993 and has since been gathering dust.

Whoever is in government will have to give urgent attenwin have beefing up the foreign ministry for the presidency. Although Ms Agnelli, the sister of retiring Flat boss Giovanni. can be arrogant and easily bored, Italy's partners have no quarrel with her as minister. The problem is the need for

the minister to have more help. In the previous Italian presidency, the foreign minister was backed by four under-secretaries. At present there are only two and one of these, Mr Emanuele Scammacca, an EU expert, is due soon to become ambassador to Russia.

Discussion has centred this week on appointing a deputy minister with special powers for the term of the presidency.

Mostar

tension

'threat

to peace'

By Laura Silber in Belgrade

Reuters news agency: "If Mos-

tar is not a united city, there

will be no federation. Europe

should be aware that, with the collapse of the federation,

there will be a completely dif-

Armoured cars from the

Spanish contingent of the

60,000-strong Nato-led Imple-

mention Force (Ifor) yesterday

patrolled Mostar as tension

continued after the shooting of

a Moslem vouth on New Year's

day and a Croat policeman on

Saturday. Croats and Moslems

exchanged sniper and grenade

Renewed clashes in Mostar

would make a mockery of

a unified Bosnia, said Mr Kos-

chnick. He would not allow

Mostar to be a Balkan Berlin,

split into hostile zones like the

German city during the cold

war. If the two communities

refused to co-operate. "we

should pack up, take our

Mostar, in south-western

Bosnia, has come to symbolise

the festering enmity between

the Moslems and Croats, nomi-

nal allies in a Bosnian federa-

tion brokered by Washington

in February 1994 to end their

Under the Dayton agree-

ment, the federation and

Republika Srpska, the Serb

entity, make up the new Bos-

nian state. Ifor is currently

being deployed throughout the

war-torn country to cement

the accord which rests on the

Bosnian Croats, like their

Serb counterparts, declared their own ethnic statelet soon

after the outbreak of war in

April 1992. Last week the mayor of the Croat-beld part

of Mostar said Croats wanted

the city as their own capital.

Ifor troops in Bosnia have come under fire five times in

Close air support was called

in over northern Bosnia in a

show of force in two separate incidents - one involving Bos-

nian Serb forces and the other

Moslem-Croat alliance.

money and leave".

year-long war.

fire on Saturday night.

ferent situation."

EUROPEAN NEWS DIGEST

Rome accused on phone costs

Italian unions, consumer associations and politicians are calling on the government to withdraw or rethink changes to telephone tariffs which will increase the cost of many local calls. Ministers signed decrees on Friday which will increase local call charges at peak daytime hours, and raise the domestic and business subscription paid to Telecom Italia, the state-controlled telephone company.

Unions have accused the government of going back on a commitment not to increase public service tariffs, and warned that the changes may fuel inflation. The government argues that the increases will be more than offset by the extension of the off-peak period and the reduction of long-distance and some international call charges. Telecom Italia claimed the net result would be a 1.380bn (\$239m) reduction in annual income from subscriptions and tariffs.

Italy is the latest European government to feel the wrath of consumers and unions in its attempt to "rebalance" tariffs, bringing consumer charges into line with costs, and improve the state telephone company's ability to compete with EU operators. On Friday, Germany's post and telecommunications ministry suggested Deutsche Telekom review the figures on which its tariff changes were based, in an effort to end a row over rises in local call charges.

Andrew Hill, Milo Andrew Hill, Milan

Santer confident on Emu

Mr Jacques Santer, European Commission president, said yesterday he expected up to nine of the European Union's 15 members to qualify to start up a single EU currency on schedule in 1999. "I am confident, at least according to our forecast at this moment, that seven to nine members will fulfil the criteria," he said on German television. "I am confident that we can meet the deadline. We must meet it.

EU leaders have made it clear that economic and monetary union will not take place unless it includes both Germany and France – which is struggling to meet the tough economic criteria for countries joining Emu. But Mr Santer reaffirmed there could be no relaxation of the criteria – a position strongly advocated among others by Bonn, which wants to ensure that a single currency is no weaker than the D-Mark.

"There will be no softening of the convergence criteria while I'm around," Mr Santer said. Rcuter, Bonn

Sogemin 'surprise' over writ

Sogemin, the London Metal Exchange trading company owned The BU administrator of by Union Minière, the Belgian metals group, yesterday said the legal action started against it last week by Chile Copper Corporation (Codelco), alleging conspiracy to defraud Codelco, Mostar yesterday warned that failure to unite Moslems and Croats in the shattered Bosnian city would jeopardise had come as a surprise. peace in Bosnia. Mr Hans Koschnick told

The writ provided no evidence of how Sogemin was implicated in the improprieties alleged, it added. Nevertheless, Sogemin said, it was conducting a full internal investigation into the matter. The company also made it clear the writ did not refer to the \$170m Codelco lost through speculative trading in the LME's copper market between 1990 and 1993. Codelco said last week it was trying to recover only excessive commissions and other improper payments made during those years, plus interest and damages

Sogemin yesterday pointed out it never had its own office for brokerage in Chile but "certain aspects" of its business in the country were conducted via a local company appointed for this purpose as this was required by the Chilean government. Codelco's lawyers indicated last week the group expected to start other action against metals brokers in London and New York. Mr Juan Pablo Davila, the trader responsible for Codelco's losses, dealt with 22 other LME brokers as well as Ken Gooding. Mining Correspondent

Aznar holds opinion poll lead

Spain's conservative Popular party has a nine-point lead over María Aznar is likely to be close to an overall majority when general elections are held on March 3, according to an opinion poll published yesterday. Mr Aznar opened a 10-point lead over Mr Felipe González, the prime minister, in the European elections of June 1994 and the gap between the two parties has

remained virtually unchanged in opinion polls.

The latest poll, published by the Madrid daily El Mundo. gave the Popular party 40.3 per cent of the vote and Mr González's Socialist party 31.2 per cent. According to the poll, the conservative opposition could return between 165 and 173 members to the 350-member parliament, up from the 141 seats it won in general elections in June 1993. The Socialist party, which has been in power since 1982, could have its current parliamentary tally reduced from 159 seats to between 115 Tom Burns, Madrid

Chechnya separatists 'killed'

Russian troops in Chechnya said they had killed 27 separatist fighters and destroyed an arms depot in the breakaway region over the weekend, Interfax news agency reported. The military command refused to say exactly how or where the separatists

died but said there were no Russian casualties.
On Saturday, Mr Pavel Grachev, Russian defence minister, predicted an upsurge in fighting between federal troops and separatists in Chechnya, but said peace talks should continue He said the separatists loval to Chechen leader Dzhokhar Dudayev had used a relative Iuli during peace talks in the Chechen capital of Grozny to "prepare their weapons and recruit mercenaries". Russian forces regained control of Gudermes, 30km east of Grozny, on December 25 after some of the worst fighting seen since a June ceasefire. Refugees fleeing Gudermes, Chechnya's second biggest town, spoke of hundreds of civilians killed.

Abkhazia attack condemned

Mr Eduard Shevardnadze, Georgian leader, yesterday condemned the killing of eight Georgians in separatist Abkhazia and said the action was intended to disrupt the peace process in the Black Sea province. A Georgian security ministry spokesman said Abkhazian fighters killed eight people, including an entire family of six, in the province's Gali region on Friday.

426712404

を と ない こうしょ

Mr Shevardnadze said in a statement that the killings were aimed at hampering the peace process. Georgia has insisted that Abkhazia is part of its territory; rebel fighters captured the regional capital Sukhumi and forced out Georgian troops

Russia, which is trying to mediate in the three-year conflict. has a 3,000-strong peacekeeping force close to the border between the province and Georgia proper. Figures from both sides say more than 7,000 people have been killed in the conflict and more than 200,000 ethnic Georgians, half the province's population, have been forced to flee. Reuter. Tbilis

Blasts in Corsica continue

A bomb blast, claimed by Corsican separatists, caused serious damage to a government building yesterday, but no casualities. There have been an estimated 20 such attacks in the past few weeks on the French Mediterranean island. The latest blast damaged the ground floor of an educational administration building in Bastia, northern Corsica.

The attack came as Mr Jean-Louis Debré, French interior minister, prepares to visit the island this month in an attempt to end the unrest.

Swiss expel Russian diplomat

Switzerland has expelled a Russian diplomat from Moscow's mission at the United Nations in Geneva for "illegal espionage activities", the federal justice and police ministry said yesterday. The diplomat, who was not named, returned to Russia on December 21, the ministry said. The weekly newspaper SonntagsBlick said 44 spying cases were uncovered by Swiss authorities between 1984 and 1994, including 12 cases of espionage for the former Soviet Union.

forming a government, given the length of the Italian politiwhich rotates every six months the presidency. However, the imposed by political uncertainthe question of immigration bureaucrats have been hard at ties, will make this a relatively

Fears over Russian economic reform commitment overshadow loan decision

IMF peers into cloudy crystal ball

Russia's reform-minded government ministers must have celebrated Orthodox Christmas uneasily that he should steal his opponents' economic clothes and halt privatisation, intervene more actively to support cripyesterday as they dwelled on the latest rumours that President Boris Yeltsin was preparing to ditch some of their most forceful supporters.

After the surge in support for communists in last month's parliamentary elections, Mr Yeltsin lashed out at "saboteurs" within the economics ministry whose mistakes had undermined the credibility of

Moscow was abuzz at the weekend with rumours that Mr Yeltsin had signed a decree sacking Mr Yevgeny Yasin, the liberal economics minister, and his deputy, Mr Yakov Urinson, who have provided much of reform agenda.

Mr Yasin denied he was about to be dismissed, but the virulence of the speculation highlights the intensity of the battle raging for Mr Yeltsin's political soul. As the removal last week of Mr Andrei Kozyrev, his ever-loyal foreign minister, has shown, the calculating 64-year-old president is prepared to sacrifice any pawn to give himself a battling chance in the endgame for the presidential elections sched-

There are those within Mr Yeltsin's entourage who argue

on Thursday,

February 8.

readers in 160 countries

Kirsty Saunders

Fax: 0171 873 3204

Polly Attwood Tel: 0171 873 4685

Fax: 0171 873 3062

FT Surveys

Published by the random times the specific of the light and Main. Germany. Telephone ++49 69 156 850, Fax ++49 69 596 4481, Telex

fort am Maint, Germany, Telephone ++49 (20 15) 850, Fax ++49 to 590 481, Telect 410193, Represented in Frankfort by J. Walter Brand, Wilhelm J Brüssel, Colin A Kennard as Gescheit/Sführer and in London by David CM, Bell, Chairman, and Alan C Miller, Deputy Chairman, Shareholders of the Financial Times (Europel GnibH are The Financial Times (Europel Ltd. London and F.7. (Germans Advertising) Ltd. London Shareholder of the above mentioned two companies is. The Financial Times Limited, Number One Southwark Bridge, London SEI 9HL, GERMANY:
Responsible for Advertising Colin A Kennard Printer DVM Denks-Vertrieb and Marketing GmbH. Admiral-Rosendshillstrase 3a. 6350 New-Isonburg towned by Hürnyet Internationals. ISSN 0174-7363 Responsible Editor Richard Lambert, our The Financial Times Limited, Number One Southwark Bridge, London SEI 9HL, FRANCE.

FR (NCE: Publishing Director D. Good, 168 Rue de Rivolt, F-75044 Paris Cedes (1) Telephone (01) 4297-0621. Fax (01) 4297-0629 Printer S.A. Nord Ectur, 1523 Rue de Carre, F-50100 Roubaix Cedes 1 Editor, Richard Lambert, ISSN 149-2753 Commission Paristers Na 67805D.

Richard Lambert, ISSN 1148-2753 Com-massion Paritaire No. 67868D SWEDEN: Responsible Publisher, Hugh Camego 468 618-6088, Printer, AB Kvallhtidningen Expressen, PO Box 6007, S-550-66, Jonköping, 2: The Financial Times Limited 1996, Editor, Richard Lambert,

Editor Bichard Lambert.
The Foundaid Times Lumied, Number
One Southwark Bridge, London SEI 9HL

THE FINANCIAL TIMES

pled industries and increase spending on social welfare even if it leads to higher inflation. They take it as read that, health permitting. Mr Yeltsin will stand for re-election this

Such swirling uncertainties make it difficult to predict the course of economic policy with any confidence. Pity, then, the International Monetary Fund, which is in advanced talks with the Russian government about releasing one of its biggest loans.

Within the next few weeks the IMF must decide whether to continue backing Russian support loan know

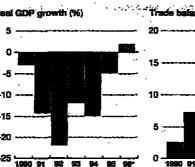
sis. Last year, for example, it had no qualms about agreeing a \$6.8bn loan with Russia while the conflict in the breakaway region of Chechnya was still

Politics are only deemed relevant insofar as they affect the government's ability to deliver on its economic commitments. But doubts may be beginning to creep in on precisely that score, given the uncertainty



Boris Yeltsin at a service to celebrate the Russian Orthodox Christmas in Moscow yesterday

Russia: on the brink of bearing reform fruit



by parliament earlier than in Mr Victor Chernomyrdin, a dour Soviet-style apparatchik Industrial production replaced the free-market Mr appears at last to have bot-Yegor Gaidar as prime ministomed out and in 1996 may regter and lashed out at "market ister its first annual increa romanticism". But Mr Chernothis decade. The OECD is foremyrdin has stuck doggedly to a casting a 2 per cent rise in stabilisation programme that gross domestic product this appears on the brink of bearing year - barring any political

reversals. The IMF can certainly take "Without question, the govheart from recent economic erument has made substantial progress on the macro-economic front," says Mr Charles Blitzer, chief economist at the Moscow office of the World Bank. "The economy is showing signs of turning the cor-

dget balance (% of GDP)

Mr Yeltsin's strategists may yet conclude his best chances of re-election come from pressing ahead with the main thrust of the government's tough economic policy while trying to smooth its edges by ensuring wages and pensions are paid fully and on time.

Mr Yeltsin may also take some comfort from the Fund's arguments that real economic stabilisation often proves politically popular.

This was shown in Brazil in 1994 when Mr Fernando Henrique Cardoso, the tough-mided finance minister, was elected president.

Whatever is in doubt, it is certain the coming weeks will provide a compelling test of both Mr Yeltsin's commitment to economic reform and the

John Thornhill

Warsaw cuts key interest rates

By Christopher Bobinski

The National Bank of Poland (NBP), the country's independent central bank, has lowered its two main interest rates by two percentage points. The "crawling peg" devalua-

tion of the zloty against a hasket of currencies is also to be reduced from a monthly 1.2 per cent to 1 per cent in an attempt to slow the growth of foreign currency reserves, which rose \$9bn last year to \$15bn.

The decision by the NBP will be greeted with relief by Poland's former communist-led coalition government, which has long argued for lower interest rates to match falling inflation.

From today the bank's lombard rate, which is designed to act as a ceiling for the domestic interbank market, will be an annual 26 per cent while the

rediscount rate, used mainly for loans to finance food crop purchases, falls to 23 per

The NBP says consumer prices at the end of last year were 22.5 per cent higher than at the end of 1994 and it is ready to accept that the government's inflation target of 17 per cent this year could well be achieved.

Waltz, who heads the bank, took a fiercely anti-communist line in her failed campaign to win the country's presidential election last November. She said recently that relations with Mr Grzegorz Kolodko, the finance minister, were good, signalling a possible thaw in what has been, at times, a bruising debate on monetary

The decision to lower interest rates was anticipated by averaging 24.3 per cent over foreign investors, who have

been moving in recent days to purchase government bills with the resulting inflows of foreign currencies. This prompted the central bank to speed its decision, which had been expected around the middle of the month.

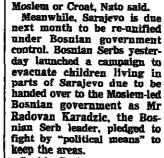
The Warsaw Stock Exchange also saw a revival in its fortunes ahead of the interest rates move as the main WIG Ms Hanna Gronkiewicz indicator rose by 9.4 per cent Valtz, who heads the bank. in the first trading week of the new year, and by 4.3 per cent to 8.298.9 on Friday, when the cuts were announced.

The NBP's decision comes as parliament is due to pass this year's budget, which includes a planned deficit equal to 2.8 per cent of gross domestic product, with the economy set to grow by 5.5 per cent. In the budget the govern-

ment assumes a lombard rate

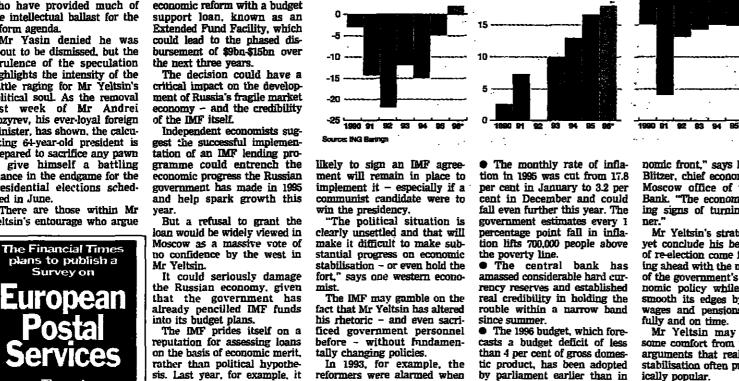
Hanna Gronkiewicz Waltz: cordial relations

four days and will not hesitate to shoot back, Nato said yes-terday. Two bullet holes were found in a French Falcon 50 aircraft after landing at the Saraievo airoort



In his first public appear ance in three weeks, Mr Karadzic delivered a televised message for the Orthodox Christmas: "A sovereign and recognised Republika Srpska has been created. It is not as big as it should be, but it is big enough to accept all Serbs west of the Drina river," in reference to the river senarating Bosnia from Serbia proper. Indicted for war crimes by

an international tribunal, under the Dayton accord, Mr Karadzie cannot hold office or stand in elections due to be held within nine months.



Japan's coalition sets out agenda

By William Dawkins in Tokyo and Our Foreign Staff

Japan's three ruling coalition parties yesterday agreed an accord which includes the new government's policy manifesto. The agreement, reached by the coalition of the Liberal

Democratic party, Socialists and the left-leaning New Harbinger party, paves the way for LDP leader Ryutaro Hashimoto to take over the reins of government from the outgoing prime minister, Mr Tomiichi Murayama, who announced his resignation on Friday.

Yesterday's pact was made possible by compromises by the LDP, which agreed to delay a general election for six months in order to win the loyalty of its coalition partners.

a promise, in deference to the pacifist wing of the SDP, to push for a review of US forces on the southern island of Okinawa, a slight concession from

The agreement also includes become a military power again. Also agreed were the lifting of curbs on holding companies to promote entrepreneurship, and a reduction of the current account surplus to 1 per cent of



The Asahi Shimbun newspaper announces the Birth of the Hashimoto Administration' at the weekend

the LDP's traditionally pro-US military stance.

Coalition officials yesterday said the tripartite agreement covered such areas as reform of the United Nations, the Diet (parliament), politics, administration and education as well as Japan's pledge not to

gross domestic product from the 1995 level of 2.1 per cent. On foreign policy, the coalition accord calls for reassessment of US ties, already on the agenda for discussion when US President Bill Clinton visits

towards other Asian nations. the coalition also aims to: • streamline Japan's military forces and raise efficiency

• bearing in mind the opin-

ions of Japan's Asian neighbours and of domestic opinion. practise caution in promoting moves to win a permanent seat on the UN Security Council; ensure financial institutions take full disclosure steps. Try to recover debts from ailing private mortgage companies, or jusen, and clarify the responsibilities on the issue:

 take quick steps to review the financial structure built around the finance ministry, and to create a fresh financial system with greater transparency. The coalition will try to ensure a system to deal

quickly with financial institu-Under yesterday's agreement tions in danger of bankruptcy; et coalition also aims to:

• aid victims of acts of terrorism by the doomsday cult Aum Shinri Kyo and study ties between politics and religion; promote steps to normalise Japan's ties with North Korea: • promote streamlining and reduction of US bases in Okinawa without jeopardising secu-

rity ties with the US. Kyodo reports: A car driven by a lance corporal from the US Marine Corps in Okinawa was involved in an accident that led to the deaths of a woman and her two daughters yesterday. The incident follows public outcry over the presence of US forces following the charging of three soldiers over the

rape of a schoolgirl.
Editorial Comment, Page 19

needs stronger leadership than Mr

Murayama has been able to provide.

The Yomiuri Shimbun, the most widely read national daily, said there was strong public criticism of the style

of transfer of power within the coalition

Frustration with the coalition govern-

ment has been building up in Japan ever since the sudden resignation of the former prime minister, Mr Morihiro

Hosokawa, in early 1994. Mr Tsutomu

Hata, who unexpectedly found himself

prime minister as a result of Mr Hoso-kawa's untimely departure, left equally

abruptly, leading to the prime minister-

As the Asahi Shimbun noted in a Saturday column, if Mr Hashimoto

becomes prime minister, the Japanese public will have been forced to accept

three successive governments which

have not been chosen through a general election. The handover of power within the coalition "has made fools of us citi-

Against this recent history of Japa

nese politics, what the press has

emphasised is the importance of allow-

zens", added the Mainichi Shimbun.

ship of Mr Murayama.

Airbus design review

Tokyo

may seek

By Michiyo Nakamoto in Tokyo and Michael Cassell in London

Japan's Ministry of Transport is expected to request a review of the design of the Airbus A300-600, following an investigation into a 1994 China Air-lines crash in which 264 people died, according to the Japanese national daily, the Yomiuri Shimbun.

The unprecedented warning by the Japanese authorities is said to be based on a report by a special commission of the ministry, which, the Japanese newspaper reported, had found that the high technology com-mand safety system of the Air-bus A300-600 contributed to

the crash in Nagoya.
According to the Yomiuri. the commission concludes that the aircraft's pilot unintentionally switched on the aircraft's go-around lever, which causes the aircraft to ascend

and re-attempt landing. The pilot was unable to disengage the go-around function, which was causing the aircraft to ascend, and tried to land instead. As a result, the aircraft's computer received conflicting commands, leading to a situation in which it lost speed and crashed, the com-mission has concluded, according to the Yomiuri.

The commission notes that the safety system which prevents the aircraft from losing speed went into full effect when the aircraft was ascending, aggravating the situation which led to the crash. It will add, the Yomiuri reported. that the go-around lever is in a position where it can easily be activated accidentally.

An Airbus spokesman said that following an investigation into the crash by the US National Transport Safety Board, modifications had been made to the A300-600 command safety system, reducing the height below which a pilot could override the go-around system. He said it would consider any new recommendations to enhance safety.

ASIA-PACIFIC NEWS DIGEST

Rao reaffirms **April election**

Mr P.V. Narisimha Rao, India's Congress party prime minister, said at the weekend he would "definitely" take the country to the polls in April, though a final date remained to be fixed. Mr Rao's remarks, later confirmed by government officials, is the firmest suggestion of an election date so far.

Final dates must be confirmed after further consultation between Mr Rao and India's independent election commission, Mr T.N. Seshan, India's controversial and outspoken chief election commissioner, was non-committal in comments to the Economic Times at the weekend, saying that they "had to take several factors into account before finalising the dates". Mr Rao had widely been expected to keep the poll date as close as possible to the formal expiry of his government's

five-year term in June and has often hinted at an April date. The elections would be to the 545-seat Lok Sabha. Mr Rao, speaking to Indian reporters after a visit to the

central state of Madhya Pradesh, said it was "possible" his government would hold a further session of parliament before Mark Nicholson, New Delh. the general elections.

Dabhol verdict delayed

The Indian state of Maharashtra failed at the weekend to deliver its expected verdict on the \$2.8bn Dabhol power project, despite discussing the renegotiated deal for two hours on Saturday. Mr Manohar Joshi, the state's chief minister, said discussion on the project, India's biggest and most controversial foreign investment, had been adjourned. The cabinet may meet to continue talks today. The project has been in abeyance since its cancellation in August. A renegotiated form of the deal was agreed between Enron, the US energy group leading the project, and a team from the Hindu nationalist state government. State ministers were quoted last week as saying that this renegotiated deal had been in principle approved and awaited only a formal

Taiwan trade surplus tops \$8bn

Taiwan recorded a trade surplus of US\$8.11bn in 1995, a rise of 17.2 per cent from a year earlier and the first rise since 1991, newspapers reported at the weekend. The government is expected to release official figures today.

Total two-way trade reached a new high of \$215.26bn last year, up 20.6 per cent from 1994, the Commercial Times said. Exports climbed to \$111.69bn and imports were \$103.5bn. representing increases of 20 and 21.4 per cent respectively, the paper said

The amount was 5.4 per cent more than the \$7.7bn the country earned in 1994, the report said, attributing the growth

Afghan peace talks move

The Afghan government yesterday said it would send a delegation for its first peace talks with the opposition Taleban movement, but blamed the Islamic militia for a new rocket attack on Kabul that it said killed four people.

President Burhanuddin Rabbani's government will send the delegation to the Taleban headquarters in the southern town of Kandahar, his spokesman said. No firm date had been set for the talks, which are expected to discuss ways of ending fighting between the two sides.

Last week, Taleban agreed in principle to the idea of receiving a government delegation, although it has yet to respond to this particular proposal. Reuter, Kabul

INTERNATIONAL PRESS REVIEW

Tokyo in April, as well as

development of diplomacy

Three unelected governments in a row

By Michiyo Nakamoto

The Japanese public has become inured to domestic political surprises. Ever since the 38 unchallenged years of Liberal Democratic rule was broken in 1993, domestic politics, in the eyes of a numbed public, has come to resemble a circus in which the normally preposterous becomes mundane.

Last week's sudden decision by Mr Tomiichi Murayama to resign as prime minister heightened that perception. Predictably, his abrupt departure was greeted by the country's media with more cynicism than astonishment, let alone regret.

It was unsurprising that the Japanese media should be so unperturbed by Mr Murayama's resignation. For some time the press has been suggesting that it was time for him to step down. Now that he has, the press could only repeat their reasons for urging his replace-

While acknowledging Mr Murayama's achievements, such as the govern-ment's settlement with the Minamata victims of mercury poisoning, the Asahi Shimbon, a left-leaning paper, was par-ticularly critical of his failure to stand up for the policies his socialist party and of the successive compromises he has had to swallow as leader of a coali-

tion government. In a weekend editorial, the Asahi

as defender of a US-Japan security treaty which his Social Democratic party had long opposed. The paper was also critical of the lack of strong politi-cal leadership in tackling pressing issues such as structural reform and it repeated its contention that "the Murayama government has already

served its purpose" The Nihon Keizoi Shimbun (Nikkei), a national daily with a focus on economic and business affairs, was equally disparaging.

Mr Murayama's departure was long overdue, the Nikkei said. As a flexible and practical person, he was suited to be the glue that held the coalition government together. But once it saw the country through the 50th anniversary of the war, the coalition's purpose became mainly to keep itself in power. When that happened, the Nikkei said, it lost the support of the people. "Having played its part, the life of the Murayama government had already come to

But even more than Mr Murayama's lack of leadership and the political paralysis that characterised his government, the press kept its harshest comments for the increasing divorce of poli-

tics from the public. Mr Murayama's resignation, and the three-party coalition's acceptance of Mr Ryutaro Hashimoto, the leader of the Liberal Democratic party, as his most probable successor, has intensified public dispust with the musical chairs



A Lucky Bag... Ryutaro Hashimoto gets a welcome surprise from a traditional Japanese Lucky Bag – the resignation of Tomiichi Murayama. Asahi Shimbun.

their attempt to stay in power. "We find it highly objectionable and unacceptable that the new government... is to be determined through a kind of collusion between the three parties of the coalition," the Nikkei said. Other publications echoed the view of

the Asahi and the Nikkei that as Japan faces a time of economic difficulty and

ing the Japanese people to choose their own government in a general election. "It is unacceptable for a government which has not received the judgment of the people to be allowed to continue any further," the Nikkei writes. The consensus is that by heightening dissatisfaction with the government, Mr Murayama's resignation promises to noted the irony in Mr Murayama's role played by various political parties in profound social change, the country force an unexpectedly early election.

China silent on US visa for Li

China yesterday gave no response to the US decision to issue a transit visa to Mr Mr Li Yuan-zu, Taiwan's vice president, writes Laura Tyson in Taipei.

Although it is unlikely Beijing will react as sharply as it did to Taiwanese President Lee Teng-hui's visit to the US last year, the issue could renew sensitivities across the Taiwan Strait.

The US visa will allow Mr Li's aircraft to stop in Los Angeles on January 11 and 16 on his way to and from Guatemala, where he is to attend the inauguration of

the central American country's new president on January 14. Mr Liv needs a US visa so his aircraft can be refuelled. "There will be no public activity during the transits." a US state department mitted President Lee to make a private visit to the US in June to deliver a speech at Cornell University. The incident led to serious deterioration in Sino-US relations, which have yet to recover. China interpreted Mr Lee's US trip as an attempt covertly to promote Taiwanese indepen-

Chen Jian, said on Thursday: "We ask the US side... not to do things that would harm the relations of the two countries or

spokeswoman said at the weekend. China regards Taiwan as a rebel provdence, which Beijing opposes. ince in the hands of an illegitimate government and objects strenuously when China's foreign ministry spokesman, Mr countries with diplomatic ties with Beijing treat Taiwanese officials in what might be construed as an official capacity. Beijing was enraged when the US perburt the feelings of the Chinese people."

Wheat farmers ponder future

Nikki Tait finds price rises have come too late for some Australians

rs Penny Henley looks down over the 2,000 hectare property, just south of the New South Wales-Queensland border, which she and her husband have farmed for the past 20 years.

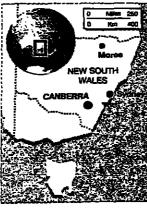
Along a nearby strip of road - about 25km in length - five families have sold up and moved out recently, she says. Chris, her husband, whose family has been working Australia's land for a rare seven generations, puts the point even more starkly. "Twenty years ago. 140 families were delivering to the silo at North Star," he remembers. "Now there's about 12."

The couple, whose children are still at high school, reckon that they are the last of their generation continuing to farm in the area. It's pretty disheartening," says Mrs Henley. You lose teachers, services. You lose your community and that's what you need."

What makes the comments surprising is that the Henleys - and most of their neighbours - are wheat farmers. By all accounts, they should be cracking open the bubbly, not worrying about their dissipating

in the face of an international supply crunch, world wheat prices have soared. World stocks are at the lowest for two decades, while the Australian Wheat Board's pool prices have been at record levels, with benchmark Australian Standard White wheat

fetching A\$235 a tonne. Moreover the severe drought which beset the eastern seaboard throughout much of the 1990s started to break earlier this year. According to the Australian Bureau of Agriculture and Resource Economics, the government-owned fore-



casting agency, this season's wheat production should be over 17m tonnes, 92 per cent higher than the previous year. In New South Wales alone, production is expected to rise almost fivefold to 4m tonnes. However, the Henleys' down-

beat assessment is echoed by traders in nearby country towns. "It's been quite slow, and very patchy - nobody seems to have much spare this Christmas," says the proprietor of Habitat Interiors, a gift shop in the market town of Goodiwindi, which straddles the NSW-Queensland border. Down the street, a sign on the public library door publicises the continued availability of rural assistance funds.

The reasons for this very muted response are threefold. First, most eastern grain-farmers are keenly aware of the extent of the damage done to the rural sector over the past decade. High interest rates, followed by low commodity prices and then four years of drought decimated farm incomes. Those who have attempted to expand or upgrade equipment invariably incurred high debts, while those who have waited now realise the scale of the re-

equipment task ahead. As Mr Glenn Dalton, director of grains at the NSW Farmers' Association, puts it: "We've just been through possibly the worst combination of conditions ever - interest rates, drought, plagues. Grain farmers have had things extraordi-

narily difficult." Second, even in the current year, the path back from drought conditions has been bumpy. Mr Henley remembers the weeks in September when his farm, and surrounding properties, were hit by a mouse plague which extended from

southern Queensland into northern NSW. Then, later, as he went to inspect the mice-baiting process, he noticed that the wheat was frozen. Northern NSW encountered the worst frosts ever recorded that late in the

It will take a number of good years before confidence returns. "You don't finish a drought with the first rains, and you don't finish an economic drought with the first good crop. We badly need a second crop," says Mr Dalton.

Ironically, though, this could increase the drift from the land which the Henleys are already reporting. "We know of people who would have sold, but there's been no market.... and there's no point in dispossessing someone if you can't sell the holding," says the NSW Farmers' Association.

Asian buyers, meanwhile, may see this as a good purchasing opportunity. Last month, Chinatex, China's giant wool and cotton buying agency, was reported to have snapped up three large cottongrowing properties near Moree. covering over 4,000 ha, from a local farming family. The third reason for the very

cautious response to the surge in wheat prices is that many Australian broadacre farms are mixed businesses - combining wheat and sheep, say. While wheat prices have soared, wool prices have fallen sharply.

Higher grain prices, meanwhile, also dig into the margins of livestock producers, obliged to buy feed.

o while official government forecasts - keenly distrusted by most farmers - suggest that the "average" broadacre farm will regis-ter its first business profit since 1989/90 this year, the estimated surplus is only a token A\$6,700 (US\$5,000). The "average" woolgrower will almost certainly see his sixth year of loss. The surplus for an average grain farm, by contrast, is put at A\$90.600

Still, for all the wariness, there are grounds for optimism. Farmers acknowledged that the very low level of world grain stocks implies that several years of good prices are probably in view.

And, even in northern NSW. few signs of buoyancy shine though. The Moree newspaper carries an opportunistic advertisement from a local investment firm: "Wheat harvest... where do I invest?" it begins. One travel agent says business is becoming brisker.

But whether all that is enough to persuade the Henleys to persevere is a moot point. Like their neighbours, they, are pondering the future, wondering whether the recent record of three good years in every 10 is much inducement. We seem to have living on our wits for the past four years," says Mrs Henley, with infinite weariness. "We haven't had a holiday in so long. . . " adds her



INVITES YOU TO INVEST IN 'TOURISM' INFRASTRUCTURE

AN OPPORTUNITY OF A LIFETIME

India's got everything. Beaches. Mountains. Deserts. Forests. Vibrant cities. A timeless culture. And, a shopping experience that's both exotic and endless. More importantly, India's got tourists. 90 million domestic tourists. And 2 million foreign tourists who last year alone earned India US \$ 2,300 million. Figures that will increase as the liberalization of the economy permeates deeper.

What India doesn't have enough of is - the accommodation, restaurants and amusement parks in short, the varied facilities that tourists use and

Which is why, we invite you to invest in India's 'tourism' infrastructure. Come, set up botels, motels, wayside amenities, restaurants, golf courses, amusement parks, adventure and water sports complexes, sea and river cruises, heritage properties,

super resorts, aerial ropeways, tourist vehicle fleet, food and craft management institutes and more. We've made it easy for you.

> \mathcal{F} HE DEPARTMENT OF TOURESM YOUR FACILITATOR

The Department of Tourism will help you with the logistics of investing in India. By identifying potential areas of investment. Assisting you in getting project approvals and clearances. And facilitating interaction between you and the various governmental and financial

Additionally, with Tourism being declared an 'industry', both the Central and State Governments have a host of financial benefits and facilities that will make investment even easier for you.

Interested enough to want more information? Then write to or fax us. And embark on an opportunity of a lifetime: an investment in India's 'toorism' infrastructure.

MAIL TO: THE CHIEF COORDINATOR (INVESTMENT CELL) DEPARTMENT OF TOURISM, GOVERNMENT OF INDIA, TRANSPORT BHAWAN. NEW DELHI 110 001 INDIA, TEL: 0091 11 371 8663; FAX: 0091 11 371 0518)



Please send me mo		urism' infrastructure.
Name:————————————————————————————————————	On:	
Tel:	Fax:	

Department of Tourism Government of India

Brazil buyer for failed bank

Brazil's Banco Excel, a fast growing bank from São Paulo, has reached an agreement in principle to acquire the failed Banco Económico, which last year nearly collapsed and was taken over by the central bank.

Details of the transaction are still being worked out, but Banco Excel is likely to assume Economico's branch network. clients and some of its liabilities. Econômico's branches are expected to re-open in a few months.

Econômico's biggest creditor, owed more than R\$3.5bn (£2.3bn), is the central bank, which will sell Econômico's shareholdings in various industrial companies to make good part of the debt. But Mr Gustavo Loyola, central bank president, admitted his institution might not get all its money

Banco Excel would be required to inject around R\$300m of capital into the new Banco Econômico to get it running again.

Israeli cabinet agrees cuts

Israel's cabinet yesterday approved spending cuts of Shk1.3bn (£267m) one week after the 1996 budget took effect. But ministers were unable to agree on where the cuts would be made and a meeting will be held next week to decide. The cuts also need parliamentary approval.

On Saturday, the Treasury increased fuel prices by 15.1 per cent to raise an additional Shk750m. The measures are aimed at guaranteeing the government will meet its 1996 budget of Shk172.8bn and its deficit target of 2.5 per cent of gross

Saudis and US to continue links

The US and Saudi Arabia yesterday said attacks such as the bombing in the Saudi capital in November would not halt their co-operation in building Gulf defences against Iraq and

Mr William Perry. US defence secretary, met Saudi Arabia's new government leader. Crown Prince Abdullah, at the end of a two-day visit, and expressed determination to continue military preparedness triggered by the 1991 Gulf war. King Fahd, who suffered a stroke in November, turned the government over to his younger brother last week. Mr Perry

gave Prince Abdullah a letter from President Bill Clinton to King Fahd wishing him a speedy recovery and expressing Washington's faith in the prince. It was Mr Perry's third visit to Saudi Arabla in 15 months.

but the first since a car bomb killed seven people when it ripped through a building in Riyadh used by the US to train the Saudi National Guard.

Guatemalans go to polls

Guatemalans vesterday voted in presidential elections in a tight race which could mark the political comeback of a former military dictator.

The second round run-off pits right-wing businessman Mr Alvaro Arzu, who narrowly leads in opinion polls, against lawyer Mr Alfonso Portillo, candidate for the populist Guatemalan Republican Front (FRG).

But the election has turned into a barometer of support for Mr Portillo's political master, General Efrain Rios Montt, who was shut out of the race last year by a constitutional court decree banning former coup leaders from standing as president. Mr Portillo maintains he is no puppet of Mr Rios

Snow fails to cool US budget wrangling

By Nancy Dunne

No sooner had Congress passed legislation to reopen the federal government than the skies deposited heavy snow on Washington, shutting down once again the monuments and federal agencies.

Whatever the prevailing weather conditions, the struggle between president Bill Clin-ton and the Republican Congress over budget priorities still rages. Although House Republicans seemed to bow to public pressure to reopen the federal government, the bill passed late on Friday sets January 26 as the new deadline for a deal to balance the US budget by 2002.

House Republicans are now pursuing a new strategy. In an effort to force the president to agree to eviscerate some programmes and shift others to THE NEW CLINTON BALANCED BUDGET PLAN (Republican proposals in brackets) Tax cuts Cuts in defence and non-defence 295 discretionary spending Medicare cuts (117)Medicaid cuts 52 Reductions in Welfare, including Earned 48 Income Tax Credit Curtailing "corporate (18)welfare" tax breaks 60

All figures are over seven years - the Clinton plan includes a possible dividend in the last three years. If the nation does better than Congressional Budget Office forecasts, tex cuts would be increased to \$147bn, discretionary spending would be \$65bn higher and there would be a \$28bn budget surplus in 2002.

fund only those programmes parks will be open. Veterans that they support.

With an eye on their falling ratings in the public opinion polls, Republicans have ensured that the most visible programmes will stay. The

and pensioners will get their monthly cheques and the elderly will get their meals delivered.

Programmes for the poor legal assistance for example are likely to fare less well. It is an election year, and the poor

As additional leverage. House Republicans will refuse to raise the debt limit unless the president agrees to their conditions. Mr Robert Rubin, the treasury secretary, yesterday said he had only found enough funds to keep the government going without new borrowing until the middle of February, although he is

looking for other solutions. The deal to reopen the government for three weeks came after the president complied with House demands that he submit yet another plan to balance the budget over seven years using "real" numbers produced by the Congressional Budget Office (CBO).

This is Mr Clinton's fifth plan in a year and in it be adopted most of the proposals presented earlier by Senate Democrats. The plan cuts taxes by \$87bn (£56.4bn) over seven

years, much less than the \$245bn the Republicans want, and it cuts medical care for the elderly by \$102bn, compared to a \$225bn reduction proposed by

Republicans. Budget 5 seeks to protect Mr Clinton's priorities: health care for the poor and elderly. low income tax cuts, education and environment. The president has also indicated support for some form of a capital gains

CBO director, Ms June O'Neill, in a letter to Mr Newt Gingrich, House speaker, said the new Clinton budget would have a surplus of \$1bn in 2002. certifying it as acceptable.

A White House statement said the president's plan "clearly shows" that the budget could be balanced in seven years using congressional budget office estimates without the deep cuts in Medicare, Medicaid, education and the environment that Republicans

The statement also noted that the "huge tax cut for the wealthy" promised by Republicans was unnecessary.

Initially, Republicans said that Mr Clinton was adopting as his own a plan proposed by Mr Tom Daschle of South Dakota, the Senate Democratic leader. There are, however, significant differences.

A deal is in sight, but the question is how far the presi-dent will be pushed. With every successive plan, he has moved closer to Republican demands.

Republicans responded by denouncing his latest plan as "the same old tax and spend liberal Democratic approach". As much as the Republicans deny it, it is politics as usual in Washington. All of the budgets put the really painful cuts far off in the future - two presi-dential and three house elec-

Independents can vent voters' anger

Palestinian polls will test extent of discontent with Arafat, says Julian Ozanne

s Palestinians prepare to vote in their first A to vote in their man January 20 a predominant issue is the electorate's view of Mr Yasser Arafat's governing

style.
The elections, well prepared to avoid potential manipulation, will bestow a degree of democratic legitimacy on Mr Arafat and mark the irreversible nature of the Israeli-Palestinian peace process. However, they will also test the extent of discontent with the Palestine Liberation Organisation's leadership style.

The boycott by Palestinian Islamic and secular groups opposed to the peace accords has stripped the elections of clear ideological fault lines. There are no real opposition parties contesting the polls and almost all the 676 candidates competing for seats in an 88member legislative council broadly support the peace pro-

Only in the separate ballot for president of the council. where Mr Arafat is opposed by Mrs Samiba al-Khalil, a mayerpeace process, will voters be given a clear choice. However, Mr Arafat's status as the symbol of Palestinian nationalism is so solid among ordinary Palestinians as to make his landslide victory assured.

More important political issues are focused on the elections for council members in the 16 multi-member constituencies across the West Bank and Gaza Strip. In the absence of opposition candidates, the only real choice voters have is to vote for independent candidates standing against the overwhelmingly dominant Fatah faction led by Mr Arafat. Mr Arafat has made exten-

sive efforts to manipulate the list of candidates put forward by Fatah. He has overturned rudimentary internal primaries held by Fatah and appointed his own people to the lists. He has also sought to maintain Fatah as a broad church and has included members of other Palestinian factions on Fatah

The extent to which Palestinians back Mr Arafat's lists will, to some degree, test his hold ick independent opposed to the on the Palestinian electorate.

Inside Fatah Mr Arafat's activities have provoked fierce criticism. Many of those dropped from the lists are young foot soldiers of the Palestinian intifada, or uprising, who paid for their political activity with long stints in Israeli jails. They have been replaced, in part, by more oldguard political figures and technocrats Mr Arafat wants to see in his de facto parliament.

any of those dropped have refused to accept Mr Arafat's authoritarian style and are standing as independents. In Nablus, for example, five Fatah activists are standing as an independent bloc.

One of them, Mr Husham Khadder, said: "Arafat wants yes men in parliament; he does not want the younger generation of the intifada, because they are more critical. In the election people have a choice whether to accept Arafat's old ways of doing politics of vote for a change. If they vote for independent candidates who are critical of Arafat, it will

In the Ramallah electoral division the Fatah list drawn up by Mr Arafat includes two men who belong to other Palestinian factions, at the expense of Fatah activists. Mr Marwan Barghouti, the Fatah chief in the West Bank who heads the Fatah list in Ramallah, says he does not support Mr Aralat's list. He is urging voters to split their vote between the list and independents like Mr Faris Hamid Kadoura, a Fatah activist who spent 14 years in jail and whom Mr Arafat refused

"The people will not support a list, they will support indi-viduals," he said. "People want to vote for people they trust who have a long history of resisting Israeli occupation and who sacrificed by going to

to include on the list.

Mr Barghouti, a former prisoner and deportee, said it was vital that the new generation of Palestinian political activist was rewarded and represented in order to begin the process of building new political institu-

If Palestinians vote for the independent critics of Mr Ara-

nascent opposition will be formed in the council Palestinian political analysts say that the electorate remains highly educated and politicised after 28 years of Israeli occupation and that ticket splitting in polls for student and profes-

A recent opinion poll found that 45 per cent believe personal qualifications to be the most important criteria for election. Only 20 per cent said political affiliation was important; 17.5 per cent highlighted religious affiliation and only 3 per cent said they would be

sional bodies has been com-

swayed by family loyalty. If the political scientists are right, a number of independent critics could be elected to the council. Some. like Mrs Hanan Ashrawi, standing for one of the reserved Christian seats in Jerusalem, will be elected because of their political history, their integrity, and their ability to stand up to Mr Ara-fat. Others, including many of the Fatah independents, will be elected because they represent

does not practise what she

no-nonsense Palestinian matri-

arch, has been the self-ap-

a well respected charitable

society. "She is tough as nails, courageous but often inflexi-

ble, cantankerous and unwill-

ing to listen to advice - a lot

like Mr Arafat himself," says a

close aide. "We hope this expe-

rience will encourage her to hold internal elections in the

Nevertheless, Mrs al-Khalil

She will also be supported as

a political figure in her own

right. She has been a long-

serving member of the Pales-

- and has spent several peri-

However, she is largely

Bank and Gaza Strip and as a

woman her candidacy will not

go down well in traditional

areas such as Hebron and

the vote it will be a real suc-

cess." said Mr Mohammed Abu

Zeid, the campaign manager.

"But she will make an impor-

"If she gets 10 per cent of

ods in Israeli jails.

Gaza South.

will attract votes from the many people she has touched

with her charitable work.

Since 1965 Mrs al-Khalil, a

Major defends Saudi expulsion

By John Kampmer

Mr John Major, the UK prime minister, yesterday sought to ascribe a more ethical motive to his government's planned deportation of Mr Mohammed al-Massaari, a leading Saudi dissident.

Amid growing concern that arms deals lay behind last week's order to send Mr al-Massaari to the Caribbean island of Dominica, Mr Major said British foreign policy in the Gulf was contingent on the stability of the Saudi royal

family. Mr al-Massaari, head of the London-based Committee for the Defence of Legitimate Rights in Saudi Arabia, an Islamist group that accuses the Saudi government of corruption and anti-Islamic practices, said Britain was on its way to making itself the "Great Satan in the Kingdom".

"If Britain is seen to support such a regime, then the people will consider it their enemy and will demonise it, as happened between Iran and the US." he said. "The people will regard this as support for the oppressor and the tyrant Peace will not be achieved this

way. But, in a BBC television interview. Mr Major said: "Mr al-Massaari is an illegal immigrant who has used his hospitality in this country to wage a campaign to try to bring down

the Saudi Arabian regime. "Saudi Arabia is critical to the stability of the Gulf. That is very important not just to this country. We have already

(C)|

had one Gulf war." Mr Major added: "If [people] come here and abuse that position and seek to create an unsettled relationship with our allies then I don't believe we should tolerantly look to one side. We will look after people who's position is insecure and unsafe. Mr al-Massaari would not be sent back to anywhere

he may be in danger." Mr al-Massaari has claimed he is the likely victim of a kidnap or murder plot by the

tine National Council - the Saudi government. Palestinian parliament in exile The government has admitted it acted after pressure from both the ruling royal family and British defence companies unknown in parts of the West to put a halt to Mr al-Massaa-

> ri's outspoken campaign. Saudi Arabia bought nearly £2.3bn-worth of British goods last year.

Of greatest importance is the al Yamamah government-togovernment deal agreed in two stages in 1985 and 1988 and covering supplies of British arms, infrastructure, and defence services worth more than £2bn a year.

Connector? Don't we mean building? Because to most people, connectors are pieces of plastic and metal that go on circuit boards or the ends of cables. And while people do associate AMP with connectors, they don't associate us with buildings. * Well, we're out to change that. First, we're broadening our definition of connectors. For example, we see today's modern office buildings as connectors, viewing them as networks of technology and cabling that act to keep people and information connected. * Second, this broader definition of connectors has led us to broaden the capabilities of our company.

We've added technologies like network cabling, computer interface cards, hubs, routers, fiber optics, and wireless components. * And third, we bring these technologies together to give our customers a network cabling system with greater connectivity, higher bandwidths, lower maintenance costs, and a longer useful life. * So while most people looking at a building wouldn't see a connector, our customers benefit because we do.

AMP Incorporated Hamsburg, PA 17105-3809. Contact year regional center; USA 1-800-522-6752. Caracta 905-470-4425, England 44-1753-676800, Singapore 65-482-0311. Japan 81-44-813-8502.





Grandmother vows to stand for democracy

By Julian Ozanne and vark Dennis in Ramallal

Why would a 72-year-old grandmother launch a fruitless challenge to Mr Yasser Arafat for the Palestinian presidency? Although Mr Arafat is certain to win the first Palestinian election. Mrs Samiha al-Khalil is standing in order to make a democratic

point.
"I am running to show that Arafat is neither God nor prophet," she said when announcing her candidacy last

month. Mrs al-Khalil has since retreated from such direct statements against Mr Arafat, preferring to call him "a good man who is very wrong about the peace process". She says her candidacy is "political, not

The problem is that Mrs al-Khalil does not have much in the way of an alternative political programme. She is stead-fastly against the Israeli-Palestinian peace accords negotiated by Mr Arafat and his team because, she says, the process will never lead to the long-beld dream of Palestinians: an independent Palestinian state with Arab East Jerusalem as its capital.

She says Mr Arafat should have demanded that Israel immediately concede an independent Palestinian state with



guaranteed borders. This is

alternative, criticising Mr Arafat's authoritarianism, she



fine - except that almost all Palestinians know that Israel would have never agreed to such a demand.

tant contribution to Palestinian democracy. Without oppo-sition there is no democracy."



The second problem is that although Mrs al-Khalil has set herself up as the democratic

Juries cut product liability awards

By Richard Waters in New York

US juries are awarding considerably smaller amounts to people who claim to have been harmed by defective products, with the \$260.000 (£169,000) on average last year amounting to barely half the \$500,000 average in 1993.

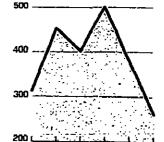
The figures, compiled from state courts around the country, appear to indicate that the US product liability tide is beginning to ebb. Long a cause of complaint among manufacturers, the area has attracted the attention of legislative reformers in many states, resulting in moves to limit the amounts that juries can award. However, Jury Verdict Research, the company which

collated the data, has also iden-

tified a new area in which legal awards against companies are rising sharply: disputes with The fall in jury awards in

defective product cases has come about in part because of the decline in asbestos cases which had clogged US courts for many years, said Mr Brian Shenker of Jury Verdict Research. Most of these cases have now worked their way through the system.

More significant, however, appears to be the push for tort reform - the area of law which covers medical malpractice, car accidents and product liability. Many US states, including Texas, whose juries have traditionally made some of the biggest awards, have passed laws to cap the amount that jurors can order corporate Product liability in US Award median (\$'000s)



defendants to pay. Most of these laws were passed too recently to have had a direct effect on the cases surveyed by Jury Verdict Research. However, jurors

have been aware of the reform movement and the tide in pub lic opinion that has turned against big awards, and so have tended to limit the amount they order defendants

to pay, said Mr Shenker. Disputes with employees, meanwhile, have led to far bigger awards against corporations. On average, people who brought successful cases for wrongful termination or constructive discharge were awarded \$183,984 in 1994, 40 per cent more than in 1993.

The increase seems to indicate that more older, male executives are getting into legal disputes with their employers. Awards for age discrimination remain the highest, at an average of \$219,000 compared with \$147,799 for racial discrimination.



Halt murders, 'PM tells Gerry Adams

Chief Political Correspondent

Mr John Major, the British prime minister, yesterday accused leaders of Northern Ireland's Sinn Fein party of directing recent murders by a group claiming to be fighting the drugs trade. Sinn Fein is the political wing of the Irish

Republican Army. Mr Major called on Mr Gerry Adams, president of Sinn Féin, and Mr Martin McGuinness, its chief negotiator, to stop the killings. The prime minister's remarks come days before the international body looking into the question of illegally held weapons is due to present its report to the British and Irish

The three-man commission, led by US Senator George Mitchell, a close adviser on Northern Ireland to President Bill Clinton, has been asked to judge the willingness of the IRA and its pro-British rivals to hand in some of their weapons ahead of all-party negotiations about the future of

Northern Ireland. Responsibility for the killings has been claimed by a group calling itself Direct Action Against Drugs. But British ministers and police chiefs in Northern Ireland say they are the work of the the

These killings are centrally directed," Mr Major said in a BBC television interview. "I have not a shred of doubt about that." He noted how so-called "punishment beatings" - the use of violence by paramilitary organisations to punish members of their own

community for alleged crimes
- had "miraculously" stopped
around the time of Mr Clinton's visit to Ireland a month "Those people who stopped it before - and I think Sinn Féin and the IRA are both sides of the same coin - could stop it again," Mr Major said. would say to Mr Adams and Mr McGuinness and the others: I believe you can ston

these killings and these

Mr David Trimble, leader of the Ulster Unionist party, said "the ceasefire is presently not in existence". Mr Trimble's party is the largest pro-British party in Northern Ireland, and one on which Mr Major will depend increasingly as his majority in the House of Commons dwindles. "Sinn Féin/IRA see what they believe is a weak prime minister, they see him in difficulty, so they are pushing

him," Mr Trimble added. He claimed that Mr Clinton's public statement to terrorists in Belfast, the capital of Northern Ireland, that "your day is over had stung the IRA into the recent spate of killings. There had been "a deliberate decision of the leadership of Sinn Féin/IRA to resume the use of arms," Mr Trimble added.

"This is not a group of people carrying out a crusade igainst drug dealers and drug barons," he said on Sky television. "It is an effort by the IRA to maintain control and to get money. They are very short of money. It is also a matter of to the Mitchell commission that we are not going to

UK NEWS DIGEST

Labour warms to Singapore

Mr Tony Blair, leader of the opposition Labour party, said in Singapore yesterday that his party was studying the state's system of compulsory savings to see if Britain could learn from it to improve its own social security system. He said during a three-day private visit to Singapore, that Mr Chris Smith, his party's chief social security spokesman, would visit Fund (CPF) savings scheme.

"It is very much on our agenda to see how we can get the best out of our welfare state," said Mr Blair. "Our welfare state at the moment isn't functioning in the way that it should. It is neither helping those who are the poorest nor is it giving people the encouragement and incentive they need to get back into work." The CPF scheme obliges workers to save 20 per cent of their income for pensions, medical care and insurance and then makes employers match the contribution. The savings provide a flow of long-term money for state spending on infrastructure. Singapore joined the Organisation for Economic Co-operation and Development last week.

Call to dilute labour laws

The government should pledge to repeal laws on redundancy compensation and unfair dismissal as part of its drive to make Britain the enterprise centre of Europe, says a rightwing think-tank. Mr Warwick Lightfoot, a former special adviser to the Treasury, argues in a pamphlet published by the group Politica that European Union directives should not be allowed to stand in the way of a more liberalised labour market.

Politica was launched at Westminster late last year under the late was launched at Westminster late last year under the late was launched at Westminster late last year under the late was launched at Westminster late last year under the late was launched at Westminster late late year under the late was launched at Westminster late late late was launched at Westminster late late late was launched at Westminster late late late late was launched at Westminster late late late was launched at Westminster late late late late late late was launched at Westminster late late late was later later

the patronage of Viscount Cranborne, the leader of the Conservative group in the House of Lords, the unelected upper house of parliament; and Lord Parkinson, a former chairman of the party who was a senior minister in the governments led by

Mrs Margaret Thatcher in the 1980s. "The existing regulations, though lighter than they were, still distort employers' decisions, reduce economic activity and raise unemployment," says Mr Lightfoot. He argues that freedom of contract must be at heart of future relations between employer and employee. "The piecemeal changes to legislation made over the last 15 years are not enough," he writes. "It is time now to remove the over-arching framework of employment protection legislation on redundancy compensation and unfair dismissal."

Immigration campaign opens

The Trades Union Congress is trying to persuade left-leaning Conservative MPs to help delete the clause in the government's proposed asylum and immigration bill that I'll the second conservation and immigration bill that I'll the second conservation and immigration bill that I'll the second conservation bill that I'll the second conservation bill the second conservation belong to persuade the second conservation belong to persuade the second conservation belong to persuade the second conservation belong to be second conservation. asylum and immigration bill that will make employers criminally liable if they are found to have given a job to an illegal immigrant. The TUC says many Conservative MPs are known to disapprove of the proposals put forward by Mr Michael Howard, home secretary. The bill will tighten restrictions on asylum seekers while toughening penalties on illegal immigrants. It has been widely criticised by business and labour groupings on the grounds that it will exacerbate racism while putting an unnecessary burden on employers. Mark Suzman, Public Policy Staff

Tonne of cannabis seized

Four men were arrested in the English Midlands city of Birmingham after more than 1 tonne of cannabis was found in an industrial unit in the suburbs. Detective Superintendent Mick Williams, head of the local drugs squad, said they had dealt drug dealers "a very severe blow". Enough of the drug had been found to supply more than 1m individual sales on

 A 17-year-old youth was recovering in a hospital in Storno-way, the biggest town in Scotland's Western Isles, after being in a coma for 13 hours as a result of drug abuse. He was taken to hospital after his mother, a nurse, found him having convuisions in his bedroom. The drug was not named. A 15-yearold spent 24 hours in a coma in Stornoway in November after consuming a mixture of ecstasy and paracetamol. PA News

Landmarks for sale: Two of the best-known and remotest landmarks in Britain will go on sale today at a combined price of £5.5m (\$5.47m). Land's End on the south-west tip of England and John O'Groats more than 1,200km away on the far north of the Scottish mainland are owned by Gulf Resources Pacific of New Zealand.

Consortium will build 110km line from London to Channel tunnel

Rail route winner to be named soon

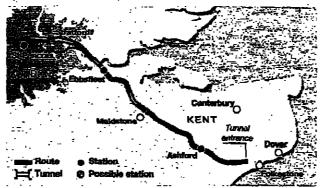
By Charles Batchelor, Transport Correspondent

The winning consortium bidding to build the £3bn (\$4.6bn) rail link between London and the Channel tunnel to France will be named early next month. But the high-speed link is not expected to be finished before early 2003, six months later than previously planned.

Two consortia from the original four bidders are being considered. One is London & Continental Railways, which includes Mr Richard Branson's Virgin Group; Ove Arup, the design consultants; and Bechtel, a US project manage-ment group. The other is Eurorail, involving the construction companies BICC and Trafalgar

The 110km line will run from a new station at St Pancras in London to the Channel tunnel entrance and will cut 30 minutes from journey times to Paris and Brussels. At the moment Eurostar trains from London to Paris and Brussels use existing tracks in south-east England and do not reach full speed until they are in

France. Construction work is expected to be straightforward, say construction industry executives close to the project. But Channel tunnel link



passenger numbers on Eurostar trains have been only a third of those originally forecast. Passenger numbers to Brussels have been particularly disappointing.
The two remaining bidders

submitted their final offers late Ferry companies, fierce com-

petitors of rail services through the Channel tunnel, are intensifying their battle to dominate the market for travel between Britain and France. A family of four can now take a car from an English port to France and back by ferry for less than £10 (\$15.50). "It is cheaper to go to France than it is to travel on the London Underground," said one ferry

last month and are now in the final stage of negotiations, con-struction industry executives said. "There is a lot of work to do in January and the pressure will be greatest on the Department of Transport to tie up

loose ends," said one executive.

company executive. The low prices result from the launch of two new separate services on the Dover-Calais route after the expiry at the end of last year of their previous pooling agreement. The newcomers are Stena Line and Sea France (formerly SNAT), an offshoot of SNCF, the French stateowned rail network. The new operations will lead to the

"Once the winner is announced it will be in a strong position to demand concessions if there are any disputes before contracts are finally signed on April 1."

More than 100 contracts will have to be agreed with the winning bidder, including one compensates which state-owned train companies now using St Pancras for any loss of ticket revenues if customers are forced to walk further along platforms to board trains because of construction work. The existing St Pancras station was built more than 100 years ago and is the London terminus for several cities in the English Midlands.

Meanwhile the committee of the House of Commons which has been hearing objections from local residents is expected to complete its hearings by the end of this month and report in

It still has to decide on the length of tunnel to be built in Islington in north London and on issues such as the amount of compensation to be paid to on acceptable levels of noise.

people affected by the line and After further scrutiny in parliament, the bill to allow building of the high-speed link is expected to become law

90% of adults did what the bishop declined to do

By Michael Cassell and Gillian Tett in London



Mr John Major, the prime minister, did not do it; neither did the Rt Rev.

Simon Barring ton-Ward, the Protestant bishop of Coventry. Mr Tim-Melville Ross, the director-general of the Institute of Directors did not do it either and says he has no intention ever of doing it.

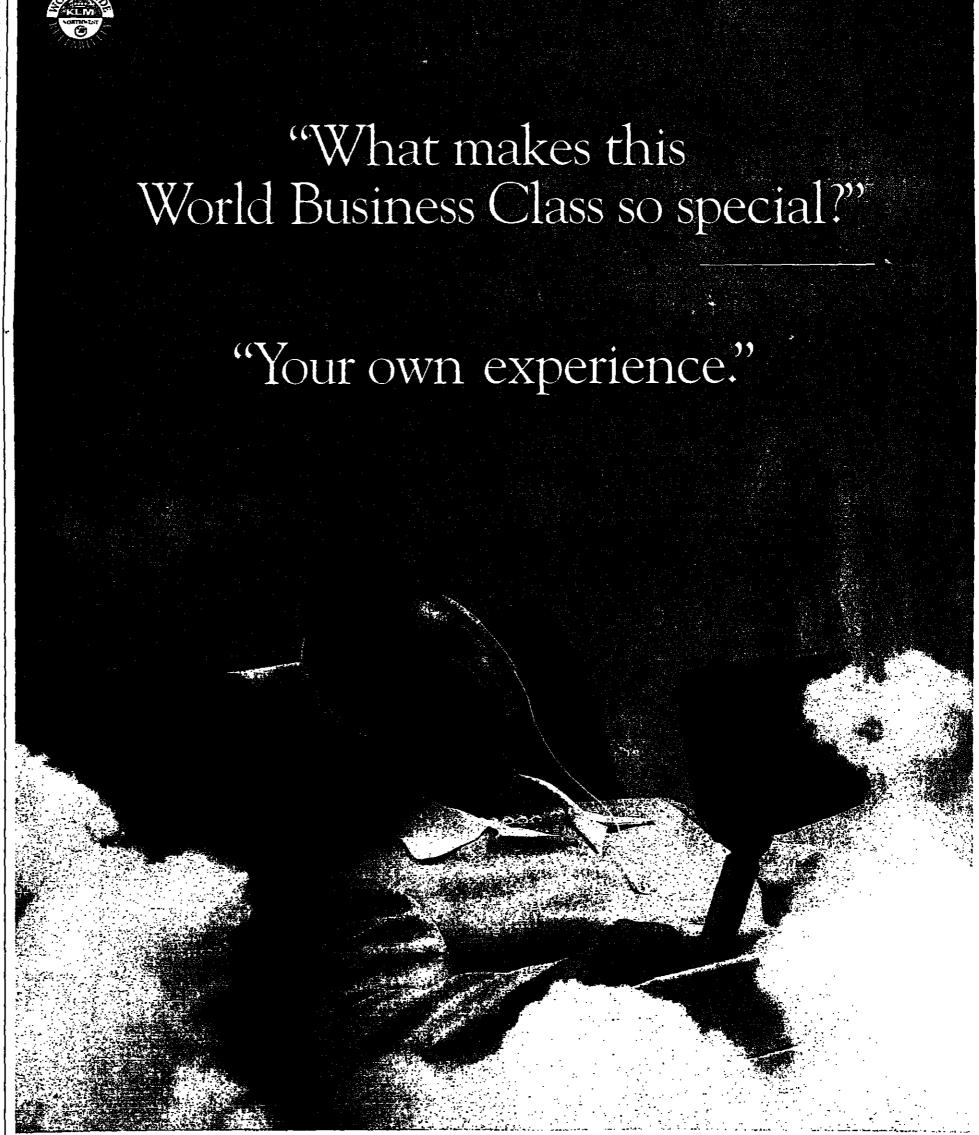
But nine out of 10 adults did participate in Saturday's National Lottery draw -Britain's biggest single gambling event - to try and win a share of the record £42m (\$64.7m) jackpot. While only three tickets will split the big prize no fewer than 2,385,106 other tickets can today be exchanged for cash sums ranging from £10 upwards.

As Camelot, the consortium which organises the lottery, waited last night for the three big winners to identify them-selves, the debate on the morality and the economic

week sold tickets worth £128m rumbled on. Mr Major called it a "huge success" and dismissed critics who said it encouraged greed. But the Bishop of Coventry said the ence" and called for its aboli-

The financial community was also weighing up the impact - including a record surge in cash withdrawals from building societies and banks. Link, the industry body which covers the cash dispens ers in 10 banks and 18 building societies (mutually owned savings and loans institutions), said that withdrawals on Friday and Saturday totalled £55m - some £11m more than in the same period last year. Mr Howard Aiken, Link's general manager, yesterday said: The extraordinary leap in cash withdrawals over the

prompted by the record National Lottery rollover.
"The lottery has given a significant boost to cash pay ments which we predict will alone help contribute to over one billion extra cash transactions in the UK during 1996."



KLM and Northwest Airlines have a service that's in a class of its own. Experience the comfort of more legroom, seats with better

recline, gourmet meals plus personal phone and video. Experience World Business Class. Contact your travel agent, your KLM or Northwest office or call +31 20 4 747 747.





For two decades we have been successfully adding value to the Arab world's oil resources.

In November 1975, APICORP was established by an international agreement among the member states of OAPEC.

The prime objective of APICORP is financing petroleum and petrochemical projects and industries in the Arab world and beyond.

ARAB PETROLEUM INVESTMENTS

PO BOX 448, DHAHRAN AIRPORT 31932 SAUDI ARABIA. TELEPHONE (03) 864 74 00 TELEX 870068 APIC SJ FAX (03) 894 50 76

The revitalisation of SOUTH LONDON

Councils rise to economic challenges

Andrew Adonis examines initiatives to make Southwark, Lambeth, Lewisham and Greenwich more prosperous

London's "north/south divide" may be greatly exaggerated. As this summer's controversy over the future of the Royal Naval College at Greenwich demonstrated, some of the capital's most splendid public buildings and parks are south of the Thames

The five inner-south boroughs of Lambeth, Wandsworth, Southwark, Lewisham and Greenwich face serious social pressures, but so too do the boroughs to their north.

Judged by objective yardsticks, the essential contrast is between inner and outer London, not north and south. This year's national education league tables put 12 of the 16 inner London horoughs among the bottom 20 of England's 108 education authorities rated by GCSE exam results. All but one of those 12 were also among the top 20 for their proportion of pupils receiving free school meals - a fair indication of social deprivation.

Yet the River Thames is a lividing line, in mind as much is in fact. Even the gems on he south feel their lustre arnished by their location. The South Bank complex is ndlessly scheming to improve ts links with the north - one of the latest ideas is for a cable ar linking it to Covent Garien. Great hopes rest on the extension to the Jubilee Line, which will include tube stops n Southwark, Bermondsey ınd Greenwich.

The Underground map, one of London's most powerful mages, sums up the south's second-class status. The River Thames appears virtually as he city's southern border. vith the brightly coloured tube ines making only a handful of · · mostly short – forays beyond t. The so-called "central" line coes no further south than the `ity, while the "circle" line lever crosses the river. To add nsult to injury, the only tube oute with a substantial outhern stretch is called the

'northern line". Elevating the Thames to be a erious cultural focus for Lonion is of critical importance to hose seeking to bridge the 'London divide". As Sir Richurd Rogers, the architect, puts it: "The Thames has the potential to be a great unifier - our ambition should be to turn the Thames into a great silver

park for London." There are plenty of profileraising plans around. A series of public debates on "London in the 21st century", organised by Sir Richard, will take place in the coming months. Speakers include Mr Tony Blair, the Labour leader, and Mr John Gummer, the environment sec-

Greenwich has launched its bid - one of four nationally - to host the Millennium Exhibition, intended to usher in the new century. In November it unveiled a plan that includes 2,000-seater launches to ferry visitors along the Thames from car parks with a capacity of 6,000 vehicles. More immediately, a host of

initiatives is in progress, or under discussion, to promote the part of the southern bank of the Thames covered by the four boroughs in this survey. Among cultural projects, is the Tate's new extension. This will be at Bankside Power Station, almost next door to the reconstructed Globe theatre.

Last May, four of London's inner city local authorities - the Corporation of London, and the boroughs of Southwark. Westminster and Lambeth - launched the Cross River Partnership to raise the profile of Thames regeneration. Shortly after, Mr Gummer published a consultant's report identifying new focal points for development along the river.

However, there can be no pretence that raising the profile of the Thames over the medium term will lead to much early or dramatic improvement in the environment for most of the people living in inner-south London.

The four boroughs covered by this survey - Lambeth, Lewisham, Greenwich and Southwark - embrace some 940,000 residents. Together, their population is almost as large as that of the entire county of Hertfordshire, which boasts 10 local authorities.

One fact highlights the social and economic challenge facing the four boroughs. They comprise 165,000 council-owned homes, making about one in two of the boroughs' residents a council tenant. That is nearly three times the national average. In and beyond the council housing estates comes the gamut of inner-city social problems: drugs, crime, benefit dependency, poor school per-

formance, and so on. Nor, alas, are serious street disturbances a thing of the past. Last month saw riots return to Brixton after the death in custody of a black youth. Damage to 50 business premises cost an estimated £1m.

Acute deprivation exists alongside extreme affluence. Nowhere is this more visible than in the school system. In Greenwich, Lambeth and Southwark between 10 per cent and 15 per cent of pupils last year left school with no qualifications at all.

Yet the area supports a flourishing private school sector. In Dulwich College it has one of the nation's foremost private schools. Last year, the college received £1.28m from the assisted places scheme to subsidise the fees of poor parents more than any other school in the country.

Encouragingly, most of the area's politicians, voluntary groups and business leaders now recognise the need for public/private partnership to pioneer regeneration. Even among Labour councillors, there is little attempt to disguise the scale of the task, or to pretend that central and local government can tackle it unaided, let alone in a state of mutual hostility. Southwark council's latest handbook is typical. "Teamwork" is emblazoned across a piece of figurative jigsaw on the front cover. The council's recent strategic review reads like the blueprint for a corporate re-engineering project. with four sections entitled

Most people now recognise the need for parmersnips with the private

"forces for future change", "strategic management pro-cesses", "organisational options" and "transitional management implications".

The first is uncompromising in its analysis. "Arrangements for public governance are changing dramatically," it declares, "as relationships between individuals and the state and the public and private sectors are being rede-

fined." This is a significant change. Lambeth was the only one of the four boroughs to come under the undisputed control of the hard left in the 1980s. Yet "a mentality of embattled opposition", as one of the local Labour council leaders puts it, pervaded all four until recent

Mr Tony Travers, director of the Greater London Group at the London School of Economics, says: "Lambeth is a special

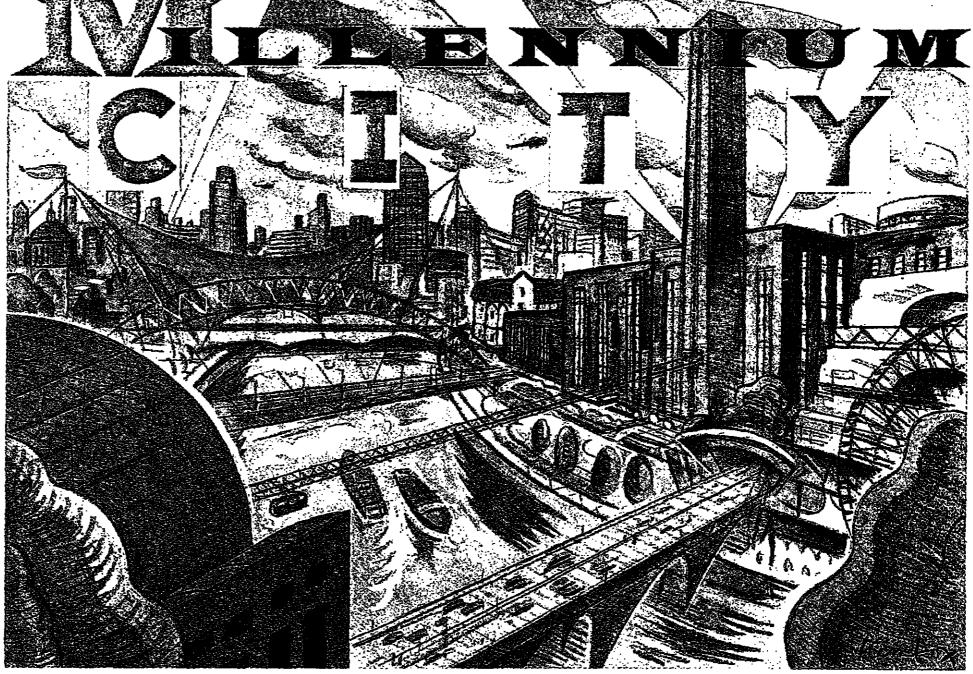
case, and it is still too early to be sure that it has turned the corner. The others - particularly Lewisham and Southwark - are coming to be seen as the high-water mark of Blair managerialism."

Few would question his judgment about Lambeth. A damn ing report earlier this year by an independent inquiry described the borough as "in an appalling mess", with "vast amounts of money wasted" and the provision of local services "severely prejudiced". It advised the new chief executive and councillors - Labour lost its majority in the last borough elections and no party now has overall control - "to proceed on the basis that mismanagement is to be found in each and every directorate."

Ms Heather Rabbatts, the new chief executive, insists that an effective start has been made in reforming administration. But the work is likely to take several years.

A host of urban regeneration initiatives, public and private, is highlighted in this survey. Partnership is the dominating theme. To a large extent, this is a product of the new political climate. But it has also been forced on the boroughs by national policy. In particular, the government's City Challenge and Single Regeneration Budget schemes tie Whitehall funding closely to partnerships with the voluntary and private

For example, Southwark last year won £60m under the Single Regeneration Budget to regenerate a particularly



run-down part of Peckham. Yet investment secured by the Peckham Partnership will total £251m over the next seven years. The objective is to estab-"desirable residential areas" and support a "stable and prosperous community".

In the renovation of Deptford town centre, Lewisham already boasts one of the more success ful urban regeneration schemes of recent years. Millwall football club's new all-seater stadium is perhaps the most visible result. Attention

is now moving to Lewisham Greenwich's efforts are centred on the Greenwich penin-

sula, a large area of wasteland facing Docklands that used to optimism among engaged in regeneration across the boroughs. But, as Mr Travers, remarks: "It's a bit like painting the Forth Bridge: it is often hard to know where to start, and there is certainly

Jubilee line extension



Linking London

Beneath London, huge machines have created seven miles of new tunnel for the 10 mile long Jubilee Line Extension to Stratford.

From Green Park and Westminster, through Waterloo and London Bridge to Surrey Docks, Canary Wharf and beyond - with the best connections in town.

Britain's biggest construction project is on target for our first passengers in 1998.

For further information or if you have any queries, please phone our Freephone 24 hour enquiry line:

0800 318421

Or alternatively you can write to us at:

The Public Relations Department Jubilee Line Extension London Underground 30 The South Colonnade Canary Wharf London E14 5ET

Waterloo

Southweek

Southweek

Canada W:

Tunnelling to the future

Transport: by Charles Batchelor

New links, new image

Improved infrastructure will help connect the area with the wealth of the capital's centre

South London became the home of a conspicuous new icon of modern travel when Mr Nicholas Grimshaw's international railway terminal for Eurostar Channel tunnel trains opened at Waterloo in 1994.

But Waterloo International station handles passengers who, for the most part, are just passing through and serves only to highlight the paucity of transport provision for people living and working in the four

Despite their closeness to the City, Westminster and the West End, the inner London boroughs south of the Thames are a world away in terms of prosperity and economic activity, in part because of a lack of

good transport links. Lewisham summed up the problems facing the area in its unitary development plan. intended to set a framework

decade. "Lewisham suffers because

of its proximity to central London," it wrote in its draft plan.
"Roads and railways are congested in the rush hours and local traffic is disrupted. During the morning peak, trains are already full when they arrive at stations in the bor-

"Road congestion affects emergency services, goods vehicles and bus services as well as the safety and convepience of pedestrians and cyclists. Both the environment and the health of local people are harmed by pollution caused by road traffic."

The main problem facing the boroughs is the limited number of Tube lines running south of the river. The centre of gravity of the London Underground network lies north of the Thomes, with only the Northern Line penetrating

very far south. Proposals have been made to extend other Tube lines further south, though these have yet to become firm plans. The East London Line could go to Lewisham town centre and to Dul-

for planning over the next wich the Bakerloo Line might also go into Lewisham while the Victoria Line could go to Streatham. But the limited extent of the

resent Tube network leaves British Rail to provide commuter and leisure services. Although the BR network is fairly extensive its trains cannot compete with the Underground for frequency.

The difficulties of the south London boroughs have not been helped by the lack of an overall approach to transport planning in London following the abolition in 1986 of the Greater London Council. Central government's focus has been on revitalising the economy and the transport links of east London and Docklands little attention has been paid to

But this may be about to change. A series of studies carried out by the Confederation of British Industry, London Transport and London First, a public-private organisation that promotes the capital, has highlighted the need for Lon-

the south.

don-wide planning. Sir George Young, transport secretary, responded in

ment that the government intends to publish plans for an integrated transport strategy for London in the spring.

In the meantime, a number of projects or proposed schemes have begun to improve mobility south of the Work is progressing on the £1.9bn Jubilee Line extension

that will link Westminster and the West End with Canary Wharf and the East End through Waterloo, Southwark, London Bridge and Bermondsey. The 10-mile long line, involving nearly eight miles of tunnel, is expected to open on time in March 1998, despite problems encountered with the tunnelling method employed. The line, which runs just south of the Thames through the four boroughs, will

increase the attractiveness of the area for both employers and new and existing residents. The extension will improve access to several tourist destinations including the South Bank arts complex, the Globe theatre. Southwark

Continued on page 4

Projects start to bear fruit

A guide to the development and investment schemes in each of the four boroughs

The focus of south London's urban regeneration attempts is well defined: it is the River

To the east, boroughs are joining with the Medway towns in Kent, and with south Essex local councils, to form the Thames Gateway, a plan to revitalise the whole Thames estuary that has heavy government backing. Their land stares at Canary Wharf and the other Docklands developments on the north bank of the river, and could benefit from the investment they have attracted.

To the west, the boroughs of Southwark and Lambeth are part of the Cross River Partnership, an attempt to recenerate the south bank of the Thames in central London, and create a livelier and more exciting hub for the city. The Partnership wants to link the two banks more closely - new bridges and cable cars are among the possibilities - and create new tourist centres, including a remodelled South Bank centre, a new Tate Gallery in a converted power station, and the restored Globe

All these projects enjoyed disproportionate success in gaining funds from the government under the Single Regeneration Budget in 1994. And all the boroughs have fall-back plans to ensure that projects go ahead even without central government funding.

Each of the four boroughs has a similar geography: a narrow frontage on to the river Thames and a sliver of land southwards into generally poorer areas, with more affluent suburbs along southern borders. Their differences and similarities are summarised

• Lambeth: The borough stretches southwards from the Waterloo area – including the National Theatre and South Bank complex - through Brixton and Clapham to the relatively affluent areas of Strea-

tham and Norwood. in 1994 it won £5.2m for a project to revitalise the area around Waterloo, which has always been a gloomy entrypoint to London. The money is being spent on a variety of measures to provide jobs and training opportunities. Among them is the "social firms initiative" - an attempt to enable

people with mental health problems to enter the labour

The borough is now concentrating its efforts on Vauxhall. where large employers, including M16, exist just across the road from some of the most deprived estates in London.

Brixton received funding under the City Challenge scheme and last year got £750,000 from English Heritage. Despite its reputation and the rioting that took place at the end of 1995, Brixton's town centre has a number of impressive Edwardian and Victorian buildings, which will now be restored and enhanced at a total cost of £3m.

From this year, the focus of attention is shifting to the three more affluent town centres in the south of the borough - Tulse Hill, Clapham and Streatham. The council intends to introduce closed circuit television and better street lighting to reduce crime, improve road safety and set up local chambers of commerce. • Southwark: Stretches from the Bankside around London

through Peckham to Dulwich and Crystal Palace. In 1994, its bid to regenerate the five estates in Peckham, a pocket of severe deprivation in the centre of the borough, received £60m under the Single Regeneration Budget - the big-

Bridge and Bermondsey south

gest award anywhere in the Total investment secured by the Peckham Partnership is £251m over the next seven vears. Neither central government nor the borough need to provide as much as a quarter of this. Private sector sources account for £83m of the funding, with £45m from local hous-

The aim is "to build desirable residential areas" and support a "stable and prosperous community. Housing takes £204m - by far the largest share of the investment - in an indication of how poor the quality of the accommodation had become.

ing associations.

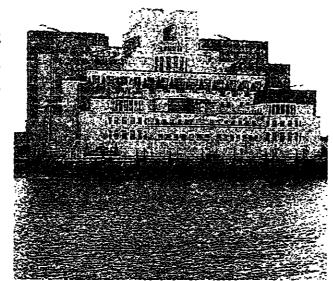
The borough plans to support the project, which has strong ministerial interest, with £12m for education, £12m for health, culture and sport. and £11m in enterprise grants. There will also be funding for improved community safety and transport.

Lewisham: Lewisham stretches from Deptford through Lewisham and Catford to Sydenham and Lee Green. In Deptford city centre, it has already seen one of the most successful regeneration projects in the UK. The City a large area of wasteland fac-

Southwark

place

the



Challenge scheme provided E37.5m of government funding, which has stimulated more than £200m from the private sector. The new all-seater stadium for Millwall football club. the first in a wave of new stadia around the country, is one of the most visible results. Millwall's old stadium has been demolished, and its site now provides 400 houses. The project has also fuelled heavy investment in skills training, particularly in the New Cross

Now, the planners' attention has switched to Lewisham and Catford town centres. In Lewisham, the Lewisham 2000 project, which started in 1988 and was recently completed, produced a pedestrianised high street, new relief roads, and a re-designed town centre. including the relocation of the town's old Victorian clock tower. The borough now has a "town centre manager" to promote the area, to improve security and to co-ordinate development.

In Catford, the borough wants to create a new town square in front of the theatre. with pavement cafés, new planting and public art. This will be possible once the main roads, which currently divide the area, have been rerouted. A new Catford Partnership has also been set up, with local retailers and other economic participants, and it is hoped some regeneration work. including retail and leisure sites, can start before the road system has been changed.

 Greenwich: The borough covers a nine-mile stretch of the Thames, including the Royal Naval Museum, and includes Charlton, Blackheath, Woolwich and Thamesmead. In the Greenwich peninsula,

ing Docklands that used to house gasworks, the borough has the largest regeneration site in London. The Ministry of Defence's decision to leave one of the area's best known landmarks, the Woolwich Arsenal. provides further opportunities.

Now that the wall surround ing the Arsenal has come down, its 18 separate listed buildings can be appreciated by the local community. improving its chances of stimulating regeneration investment. Numerous possible plans for the site include a Royal Artillery museum, which would add to the borough's tourist attractions. It is also one of two London sites (the other is further north at Bromley-by-Bow) bidding to stage the UK's Millennium Festival

in the year 2000. Greenwich, like Lewisham, is part of the Thames Gateway London Partnership, which also includes several boroughs north of the river, and was launched jointly at the beginning of December by Mr David Curry, the local government minister, and Mr Neil Kinnock, the EU commissioner.

The partnership includes 11 borough councils, two training and enterprise councils and the London Docklands Development Corporation, which are funding the department jointly. It is billed as Europe's largest urban regeneration region, and has its own specialist regeneration unit with three staff.

On a smaller scale, Greenwich and Lewisham are in partnership to "clean and green" the Deptford Creek. which is part of the boundary between the two boroughs. and which the councils hope could provide an attractive waterfront setting for new development

Retailing: by William Lewis

Shops win planning support

New government guidelines should help encourage the development of town-centre sites

Officials responsible for retailing in the four inner London boroughs on the south bank of the Thames appear to have found an unlikely champion in Mr John Gummer, the

environment secretary. For several years they have fought a losing battle against out-of-town retail developments. The relocation of super markets and, more recently, non-food retail outlets, to outof-town centres has hit jobs and investment in crucial economic areas in all four bor-

oughs, retail strategists say. However, last year the Department of Environment released a revised and strengthened draft of planning udelines, called PPG6, which delighted officials responsible for retailing in the boroughs of Greenwich, Lewisham, Southwark and Lambeth.

"At long last, the government has seen sense and is backing a policy we have had in place for the past 15 years," says Mr Paul Duffield, director environmental services for Lambeth council, whose comments are supported by officials at each of the other three boroughs.

All four cite the environment and acute economic problems as reasons for wanting retailers to focus on developing sites in traditional shopping areas.

"Don't forget that out-oftown shopping centres can cut out a lot of people who do not have the means to drive there. and that those who do are not exactly helping the enviroment," says Mr David Taylor, Greenwich planning manager.

The councils argue that town centres have been the recipients of accumulated investment over many years and are also vital transport centres. "Town centres in themselves serve a wider community function so it is vital that we protect the historic investment," says Mr Brian Regan, principal planning officer for Lewisham. Mr Gummer has made his

campaign to restore the "via- to be able to offer developers multi-storey car parks "are as bility and vitality" of town centres something of a personal crusade, and it is music to the ears of the four boroughs.

The DoE's attitude to retail development is encapsulated in what it calls the "sequential test". Retailers and developers should look first at town-centre sites, then at edge-of-town sites, and at out-of-town sites only if no alternative is available. The question of whether a site is suitable is to be left to free negotiations between the local authority, the developers

and the retailers. Such a structure should in theory help the boroughs to strengthen their retall strategies, which are based on maintaining the traditional "hierarchy" of retail sites.

Southwark council's hierarchy is typical. Peckham is the "major strategic centre", and there are seven so-called "district centres", including Elephant and Castle. Surrey Quays and Camberwell. One notch lower in the hierarchy are "local centres" including Old Kent Road, one of the fastest growing business and retail areas in London, and Dulwich

Village. Southwark admits that Peckham, its strategic centre. is "not as strong on retailing" as Lewisham, which has a similar hierarchy in place. Mr Regan says that the borough's "planning policies are designed to maintain and enhance the hierarchy", which stipulates Lewisham town as the borough's strategic centre.

In spite of belated central government support for the councils' retail policies, the future of top quality town centre retailing in south London is far from guaranteed.

'The government's new guidelines cannot extend to undoing the out-of-town developments already built," one retail analyst says. Some of the largest shopping centres built in recent years have been outof-town, including Lakeside in Thurrock, Essex. One large retailer, with a presence in all four boroughs, says that Lakeside has "caused a lot of trade to disappear, particularly at peak times". As important is the ability of local authorities and retailers attractive town centre packages.

Analysts say "site assembly" is potentially the most difficult obstacle to overcome, with most town centre sites requiring redevelopment, rebuilding, lengthy negotiations and potentially high costs.

Mr Regan says that the "web of intricacies in the world of retailing" must include the limited scope that local authorities have to kick start town centre developments. "The clampdown on council finances has made it harder to put big planned schemes together." be

Security in town centre sites is seen by retailers as another big issue. Several of the councils are working on providing or enhancing closed circuit television in their prime retail areas, but some retail operators complain about the length of time this is taking.

Inadequate parking facilities remain a source of concern for retailers

Lambeth council has taken a policeman on secondment to help develop its security initiatives. "Security is a fundamental part of what we are trying to do in developing a local partnership between traders and police," says Mr Duffield. Lambeth provides a CCTV service as well as advice on security issues to traders.

Notwithstanding these initiatives, the boroughs face a difficult dilemma. It is summed up by Mr Taylor of Greenwich. By attempting to block retail investment in out of centre locations, councils run the risk of losing out on the investment altogether. "We do not want them to move elsewhere," Mr Taylor says.

Parking facilities in town centre sites are also a source of concern for retailers, who complain that empty promises by council officials to create new common as Royal family scan-

All four local authorities say they are aware of the need to upgrade car parking facilities, creating more spaces and improving safety standards. But they argue that their ability to put together packages to compete with out-of-town greenfield sites is reduced by central government spending

However, the councils point to a number of initiatives that should improve the relative attractiveness of their town centre sites for retailers. Lewisham, for example, has appointed a town centre manager. "His job is specifically to talk with the individual managers in the centre and do things that will help them to stay." says Mr Regan.

Council officials cite several planned town centre developments as evidence that their efforts are having some effect. For example, in Brixton.

London and Cambridge Properties is planning a £33m scheme to develop a two-storey shop-ping centre above the tube station. The development of what is known as the Central site has been a long-term policy objective of Lambeth council, but London and Cambridge's planning application was the first it received.

Southwark was encouraged by reports last December that suggested that UK Land, the quoted property company, was close to refinancing its main asset, the bright pink Elephant and Castle shopping centre.

All four boroughs are bullish about retailing in their key areas over the next five years. partly because of non-retail developments. Southwark, for example, predicts "a major expansion of food and non-food retailing" in the Borough High Street, Bankside and London Bridge area as a result of the development of the Globe theatre, the Royal Opera and Jubilee Underground line.

The borough states that "Hay's Galleria types of shop will move into Bankside and Borough Market areas" and that more shopping facilities will be provided at London

Job hopes lie in services

Light industries wm provide the employment prospects of the

With "old" industries, which were generally concentrated on the docks of the River Thames, long since gone. South London has had to look to the development of new

Much of the area's potential is connected with the completion of the Jubilee lin underground extension. which will have new stations at London Bridge, Bermondsey, Surrey Oneys/ Canada Water, and North Greenwich. In addition, the proposed extension of the Docklands Light Railway to Lewisham, and a strong possibility that Greenwich could be the successful bidder to host the Millennium celebrations, could also

stimulate industrial and commercial development. Improved transport links will, of course, aid the tourist industry. The better connected the south is to the centre, the greater its appeal to visitors. Robert Gordon Clark at the London First Centre, a private and public sector partnership to promote inward investment to the capital, believes south crisis. "There is a great need

for both two and three star often the central Londor hotels are full," he says.

Two potential growth areas for hotels and restaurants are the developments in Southwark of the Tate's new Museum of Modern Art and the Globe theatre. It is likely that small retail units. restaurants and perhaps hotels will cluster round these new arts facilities. One of the blueprints for

south London regeneration is perhaps, Surrey Quays. Formerly Surrey Docks, the site was largely deserted by the time the London Docklands Developmen Corporation was formed in 1981. It became, however, one of the main focuses of LDDC activity and has since been

transformed into a retail unit. **Associated Newspapers** relocated its printing plant there during the general exodus of the newspaper industry from Fleet Street, and in so doing became the rea's main industrial unit.

The LDDC has now encouraged the development of a second phase, known as Canada Water, which will extend shopping facilities and lead to a significant leisure development. On an eight-acre site purchased from Southwark council, new employment will be provided in the leisure industry by the construction of a big cinema complex, bowling centre and

end of 1996. In an effort to recruit local

people into the leisure industry, a training school for potential chefs has been established at another LDDC-backed site, Butlers Wharf, where there is a number of restaurants. Further south, the Deptford

City Challenge has helped regenerate Lewisham. Established in 1992, it was given government funding worth £37.5m over five years. Ms Caroline Shorten, of LDCC, says that a £6m regeneration fund encouraged

new companies to move into the area, creating employment for local residents. It is expected that by 1997 some 3,000 new jobs will have been created. The retail industry will

become a leading employer in Lewisham this year when J. Sainsbury opens a supermarket at New Cross This, savs Ms Shorten, is likely to lead to 350 new jobs. On the same site will be a new Gala Clubs bingo hall and restaurants.

"The Sainsbury move brings a credibility to the area and speaks volumes for it in terms of opening new opportunities," says Ms

Among businesse relocating to Deptford recently has been Advanced Systems and Support. a high-tech computer

this phase is scheduled for the became aware of the initiatives being taken in Deptford after the LDCC launched a television advertisement that was

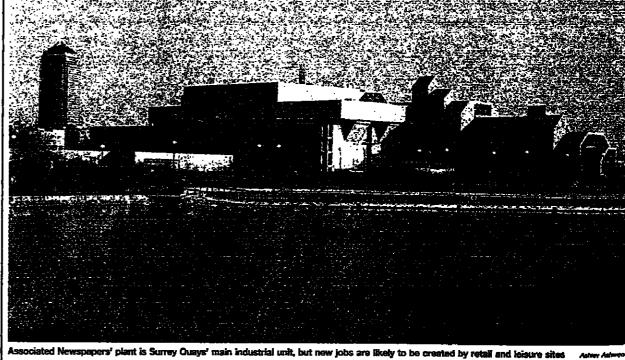
shown in the M25 area. This company actually relocated from another part of south-east London, and so bore out one of the policy initiatives of Ms Jane Calvert-Lee, the London director of the CBL Ms

Calvert-Lee says that one of the principal intentions when liaising with member companies is to suggest that they consider expansion within the area rather than relocating to another part of the country. Companies are also encouraged to get their suppliers to relocate near to them, so maximising the

benefits to the local economy Where the Deptford City Challenge has led, it is hoped that initiatives by the new Thames Gateway will follow A partnership of 11 London borough councils, including Greenwich and Lewisham, th London Docklands Development Corporation. and public and private enterprise, the Gateway was

launched late last year. Its creation has been landed by Mr Neil Kinnock, EU Transport commissioner, as signalling "the start of a vast programme of urban renewal that will breathe new life and revitalise the Thames."

John Pitt





Reforms gain momentum

The damage done by years of poor standards will be difficult to repair but not impossible

South London's education system is battling with a legacy of entrenched under-performance.

Last year, 14.9 per cent of 16-yearolds in Greenwich left school with no qualifications at all. There were similarly high figures in Southwark (13.4 per cent) and Lambeth (12.2 per cent). The national average, by comparison, is 8.1.

Ofsted, the government schools inspectorate, is making a special investigation of all the schools in Lambeth over the next year, due to the significant number of schools in the borough that it had already found to be "failing". Lambeth is one of only two boroughs in the country to be singled out for such

And the government's "league tables" of schools' performance in public examinations also do the four boroughs no favours. In a table ranking authorities by the number of students reaching at least five Cs at GCSE (the traditional benchmark for moving on to sixth-form studies) last year Southwark came 105th out of 108. In the previous three years, it had finished either 108th or 107th. On the same scale last year, Lambeth finished 103rd, Greenwich 94th, and Lewisham 90th.

Lambeth and Southwark also have among the worst 10 absenteeism records in the country. On first sight, these are deeply

depressing figures. Like other economically deprived areas, south London's education system is not producing pupils who have the skills to help revitalise the local

However, the area's local education authorities are making strenuous attempts to improve the situation, and they have plenty of help from outside agencies. South London gained two new universities in 1992 when South Bank University. whose main campus is near Elephant and Castle in Southwark, and Greenwich University were upgraded from polytechnics.

The authorities all appear to be progressing, albeit from a very low

V1Ce9

to move off the bottom of the league table has included employing teachers on separate, part-time contracts to take evening and Easter revision

Lewisham has piloted anti-truancy measures with a Schoolhouse programme. Disaffected pupils are taken out of the school environment to attend lessons in a normal terraced house in Deptford, receiving tuition that is organised jointly by the council and Lewisham College. High technology is also being used: Lambeth's primary schools are now on-line, forming one of the

UK's first local education highways. At school level, the area boasts a City Technology College in Lewisham. In Lambeth, where the majority of secondary schools have opted out, some schools have made controversial proposals - so far denied by the Department for Education - to introduce academic selection in their recruitment of pupils. This follows the decision by grant-maintained comprehensive schools in neighbouring Conservative-controlled Wandsworth to select half of their pupils on academic ability.

The presence of numerous Anglican and Catholic schools, and a range of single-sex schools, also ensures a varied choice for parents, while the area's independent schools receive big subsidies from the government to take on children from low-income families through the Assisted Places scheme. Dulwich College received \$1.28m from the government in 1993-94, more than any other school in the coun-

But it is the area's higher and further education that is having the most direct impact on the local

The universities, in particular, have placed themselves at the heart of attempts at regeneration. Both can stimulate development by virtue of their size. (South Bank doubled its intake between 1990 and

But both deliberately cater for the needs of the area, with a concentration of older students, many of whom take part-time degrees while continuing with their normal jobs. In 1992-93, 77 per cent of South Bank's entry for full-time courses were "mature students" (over 21), as were 61 per cent of students at hase Southwark's successful effort. Greenwich, This reflects efforts to



Door of opportunity: universities are helping re-skill the local workforce

re-skill the local workforce.

Both universities also act as consultants to local small companies. Their capital developments alone have a significant economic impact. Greenwich has used innovative partnerships with the private sector to house its new students, striking a £12m deal with Wimpey, the construction company, to design, build, finance and operate new student accommodation in return for an annual rent. After 30 years, the buildings will return to the univer-

South Bank is building a £13m hall of residence at St George's Circus, near Elephant and Castle. while a £4m information technology centre on the Borough Road, near Bankside, will open in September.

The centre will include 1,000 computer work stations, and will function as an "electronic library", with access to CD-Roms, external databases and the Joint Academic Network (JANET). The centre will have extended opening hours, and the university will hope to make it money in the area during their stay.

available to the public.

Mr Gerald Bernbaum, vice-chancellor of South Bank, says the university also has ambitious plans for a further site on St George's Circus, which would include student accommodation but would also be available for community activities such as a health centre, or services for the elderly.

But Mr Bernhaum is also keen to use the university to attract custom from outside the UK. South Bank's courses, which are mostly vocational, and its position near to the Thames and the centre of London, have made it popular with students from elsewhere in the EU. Degree courses that last four or five years in Germany can be completed in three at South Bank, in the process students can gain fluency in the English language. More than 1,200 students came from other EU countries to take degrees at South Bank last year. The benefits to the local economy are not insignificant all of these students must have spent

■ Local government: by John Authers

Thanks to new management strategies, the councils are at last shaking off their old image

Superficially, south London's four borough councils look rather similar. All were Labour-controlled virtually continuously for a decade, and have to battle with serious levels of deprivation. They all tend to be labelled "loony Left" indiscrimi-

nately by the press.

But this homogeneity is only superficial. The uniform party political outlook conceals huge differences in managerial culture and effectiveness, and in history.

Greenwich is a moderate council

that never fitted the loony left label. Lewisham is well established as one of the most innovative and best managed councils in the UK. while, in the past few years. Southwark has shown signs of emulating it, using rather more radical plans. Lambeth, considered king of the "loony left" contingent for policies adopted in the past two decades. has spent most of the 1990s trying to turn the tide.

The council has had three chief executives in the past three years. each of whom has tried to overturn the serious legacy of mismanagement. While councillors indulged in confrontational policies, such as resisting the government's decision to "cap" their rates in 1987, or publicly announcing they would not pay their poll tax in 1990, lower level managers were left virtually

unsupervised. In 1994, Labour lost overall control of the council, gaining only as many seats as the Liberal Democrats. Tenants' dissatisfaction with the annalling disrepair of the borough's estates was generally held to blame.

Lambeth has been frank about the problems for several years now, and in 1994 published a report by Miss Elizabeth Appleby, an independent barrister. This found that, as of October 1994, Lambeth, whose annual budget is about £600m, was owed £200m in unpaid rents, council tax and poll tax arrears.

Miss Appleby advised Lambeth's new chief executive. Ms Heather Rabbatts, recruited from nearby Merton after intensive head-hunting, "to proceed on the basis that mismanagement is to be found in each and every directorate".

She appears to have done so, as all the borough's departmental in individual subjects stack up.

directors have been replaced since she took over a year ago. Ms Rabbatts is now making a series of what she calls "single policy hits", whereby officials focus on individual issues and report to the chief executive. "We've had estates where the lights have been on all day and off all night for the last two years. I have one officer, answering directly to me, working exclusively on estate lighting," she

If anything emphasises the change of attitude at Lambeth, it is the borough's stall at the last CBI annual conference. The stall had plenty of visitors, according to Ms Rabbatts, "and all of them said they'd never have worked with Lambeth before, but they would now".

Ms Rabbatts even wants finally to solve the problem of the borough's direct services operation. Lambeth is looking for a private sector buyer to take it over, effectively "externalising" the operation and exposing it to private sector disciplines. The council would retain a stake, and the organisation would remain contracted to it.

With rather less fanfare, neighbouring Southwark, still Labourcontrolled, has already accomplished an impressive managerial shift. On a range of indicators pulbished last year by the Audit Commission, its housing service (which owns the largest council housing stock in London) is shown to be comfortably the best in the city.

Behind the figures lies a welter of sweeping managerial changes pushed through with cross-party backing by the borough's soft-spoken chief executive. Mr Bob Coomber. The number of senior managers was cut by more than half, from Il to five, leaving the incumbents to concentrate on strategy, and, coupled with staff cuts elsewhere, saving £1m from the annual wage

Middle managers now take more responsibility. This is particularly true of the housing department, where power has passed down to individual estates and is exercised by tenants' associations in conjunction with local housing managers. The intention is to make the council serve clients, rather than defend departmental fiefdoms.

Brutal performance indicators are used across the borough, with each estate being told monthly how its figures on arrears, vacant flats and so on compare with others, and schools told how their exam results

South London's best-established example of the competitive spirit in local government is in Lewisham. There, DirectTeam, the organisation that provides blue-collar services, has proved fiercely competitive in answer to strong incentives provided for it by the council.

Uniquely among council direct services operations. Direct Toam started as a refuse collection group. which successfully became the first to introduce wheely-bins to a metropolitan borough, and then successively took over the organisations covering all Lewisham's blue-collar services

Typically, DirectTeam would take on a service that was failing, turn it around, and pass on (some of) the savings to the council, while also using them to invest in the next failing service that it needed

to take over.
Its formidable list of national prizes includes a national training award from the old Department of Employment, and a Chartermark for customer care. It was also the first public sector organisation to receive the British Standards Institute's ISO 9000 for all its services and is the largest public sector organisation to be recognised for the Investors in People classifica-

DirectTeam is an enlightened employer, advertising for staff with promises of strong, accredited training schemes, including an Open Learning Centre where employees can improve their literacy and numeracy, and learn about word processing and spreadsheets.

The organisation also offers training opportunities to the local unemployed, recruiting about 110 people each year to take courses in building skills. which also lead to national vocational qualifications.

Last year, this led to the unprecedeuted step of the organisation's managers setting up a management 'buy-in" of AAH Environmental Services, one of the biggest local government contractors with a workforce of 2.500, in a deal worth £32m. This allowed its managers to expand their business in a way denied to them under current legislation, which limits trading by local authorities.

Lewisham has also led the country in experimenting with the concept of the "electronic town hall". Last year it provided "video boxes" in different locations in the borough where citizens could record their complaints or suggestions. Several hundred took the opportunity to do so.



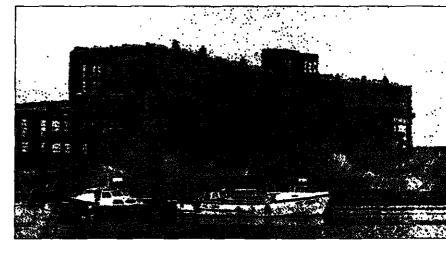
From its beginnings in 1959, Brown & Mason has grown in to a multi million pound Group of companies operating the length and breadth of the UK. It has accumulated unrivalled experience in the safe demolition and dismantling of 19 complete power stations such as Bankside, London: gas works, dockyards, hospitals, petrochemical installations, chimneys, city centre developments, cooling towers, large industrial and commercial structures together with domestic housing.

Its success has been achieved due to its ability to adapt to changing market and legislative conditions and to meet the challenges they present. In addition to its well known involvement in demolition and dismantling, the Group has considerable expertise in the following areas:

- Facade retention and temporary works particularly in town and city centre projects
- Materials recycling and scrap reclamation
 - Asbestos, toxic waste and contaminated land removal
- Plant and transport

Its many contracts are carried out through the use of in house facilities, employing direct labour and its own transport, plant and machinery.

Brown & Mason offers its customers a complete service with an assurance that all work wiil be carried out professionally, competitively, safely, on time and with careful regard for the environment.











For further information please contact the Chairman and Managing Director - Mr. Terry Brown Brown & Mason Limited . Court Mount . Canterbury Road . Birchington . Kent . CT7 9TA Tel: 01843 841711 . Fax: 01843 841721

■ Tourism: by Scheherazade Daneshkhu

Faith grows in industry of the future

New hotels and new sites may break the north's stranglehold on the leisure business

London is unquestionably the main tourist destination in the UK. Of the 21m overseas visitors who came to the country in 1994, 11.5m headed for the capital. In addition, some 8.6m domestic visits were made. Tourists spent £6.4bn in the capital in 1994; the London Tourist Board expects the equivalent figure for 1995 to stand at £7bn, and the number of home and overseas visitors to total 21m.

Yet south London gets only a fraction of these financial benefits. Its biggest tourist attraction, Greenwich, does receive 2m visitors annually, thanks to the National Maritime Museum, the Royal Observatory and the Cutty Sark ship. However, the average visitor does not spend more than half a day in the borough.

The main problem for south London is that the capital's most popular tourist attractions are all situated north of the Thames. The British Museum, the National Gallery, St Paul's cathedral, the Tower of London, the Tate Gallery and Westminster Abbey are London's most frequented tourist destinations, attracting between them more than 19m visits a year.

Tourists not only visit sites - they also go to the theatre and spend £1.25bn a year on shopping. Here, once again, north of the river has the advantage - this is where London's main shopping districts, Oxford Street and Knightsbridge, are located. Its theatre and restaurant heartland is also in the West End.

However, south London has its fair share of attractions, anchored by the South Bank development of theatres, cinemas, galleries and restaurants near Waterloo bridge. Such south London sites as Tower Bridge, the Design Museum, HMS Belfast, Southwark Cathedral, the London Dungeon and Lambeth Palace also attract a steady stream of visi-

Two attractions that should increase visitor numbers substantially are also being developed: the replica of Shakespeare's Globe theatre and the Tate Gallery of Modern Art at Bankside power station on the bank of the Thames in South-

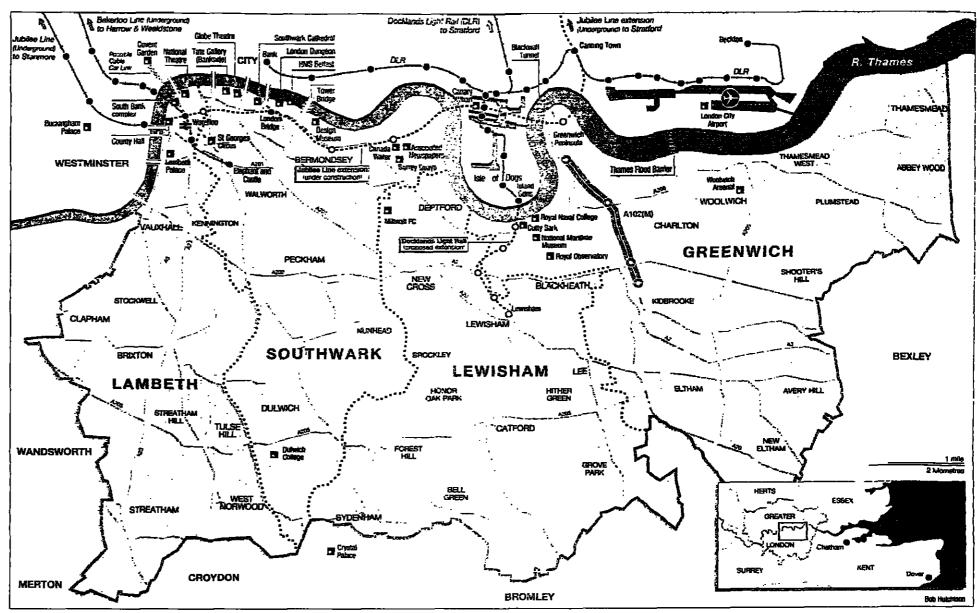
The Millennium Commission has awarded the Tate £50m towards the estimated £106m cost of the development of the Tate Gallery of Modern Art. and the Globe was recently given a £12.4m grant by the Arts Council.

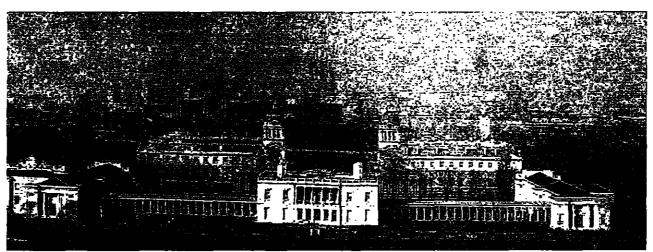
The new gallery, which will show around 1,000 master-pieces of 20th century art, is expected to open in 2000. The Tate Gallery on Millbank will return to its original role as a museum of British art. There are also plans to link Bankside, which is opposite St Paul's cathedral, to the north bank with a new footbridge across the Thames.

These developments coincide with recent initiatives by the London Tourist Board and the government to try to spread the benefits of tourism to south and east London. The London Tourist Board was recently awarded £350,000 over five years through the government's Single Regeneration Budget challenge fund 1996 for its TourEast London project.

Greenwich and Southwark are two of the five boroughs – the others are Hackney, Tower Hamlets and Newham – in the TourEast consortium, which is promoting tourism to east London and which also includes the London Docklands Development Corporation.

ion. Mr Robert Chenery, head o





ireenwich, where the National Maritime Museum, Queen's House and the Royal Naval College help attract 2m visitors annually

Transport services

Continued from page 1

Cathedral and HMS Belfast. It will also bring Canary Wharf within 10 minutes of Waterloo and and at peak periods is expected to carry 18,000 passengers in each direction every hour.

The Jubilee Line extension makes no fewer than four crossings of the Thames, emphasising the extent to which the river forms a barrier, particularly in east London

Another important crossing under the Thames will be provided by the Lewisham extension of the Docklands Light Railway. This will link the Isle of Dogs to the north and Greenwich and Lewisham to the south. Four consortia have been short-listed to build the £100m-£130m extension and are expected to put in their final bids later this month. The 4½ mile extension is expected to carry 10m passengers a year, a quarter of the total using the

DLR network, by 2004.

If all goes according to plan, the extension will be open in 1999, linking Lewisham town centre through Deptford and Greenwich with Canary Wharf. This would both improve job prospects for people in south London and give employers in Docklands a bigger pool from

This. however, may prove prohibitively expensive - an underground station at the Cutty Sark site on the Greenwich waterfront would cost £14m to build.

There are no immediate plans to reintroduce trams in the four boroughs, although a proposal for a line linking Kings Cross with Waterloo and the Elephant and Castle is

which to recruit staff.

The extension also has the

and leisure travel between cen-

tral London and Greenwich.

: - -

1.

Ŋ":-

This week:

Demerger

questio-

plans to reintroduce trains in the four boroughs, although a proposal for a line linking Kings Cross with Waterloo and the Elephant and Castle is being investigated by London Transport and the councils involved. London's last tram ran between the Victoria Embankment and New Cross in July 1952.

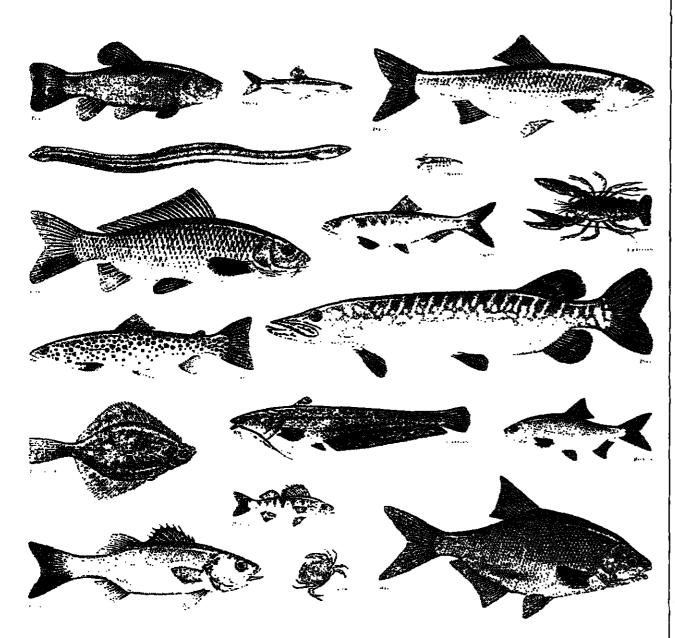
Further south, however, the

Croydon Tramlink project is making good progress. Four consortia have been shortlisted to make final bids for the £160m project. The 17-mile network would speed up journey times between Wimbledon. Croydon, Beckenham and New Addington.

The Croydon Tramlink

would provide a desperately needed orbital connection in the south of the capital, where most existing rail lines run radial services into the centre. A start is being made with the transport links needed to connect the four boroughs more closely with the economic life of the rest of the capital but there is still a long

Living conditions are improving. (Well, that's what the residents keep telling us.)



You wouldn't want to have fallen into the

Docks when Charles Dicksus was a nipper But now, the water is the cleanest it's eve

Every morning we fish out any debris, and once a fortnight we can a rigorous set of tests, on everything from the water's oxygen levels to its clarity and old values.

And the cleaner the water, the healthier the fish; but it's not just the local broam that feel the area's improving. Most of the local people do too.

(As an independent MORI survey showed.)

In 14 years we've built or refurbished over 25,090 homes, funded urban farms, ecological parks and miles of landscaped walkways. There are mineums to enjoy, a dry ski slope, sailing centres, shopping centres, over 150 places to eat or drink, and if your name's JR Hartley we've 3 angling clubs that might interest you.

London Docklands

development at the London Tourist Board, says the government recognises the importance of tourism as a mechanism for urban regeneration and as a way of revitalising areas that do not have the obvious attractions of the West End. In addition, areas outside central London have the potential to attract second-time round visitors who would like to see something different from their first trip. (Sixty per cent of London's tourists make repeat visits.)

The London Tourist Board and Christie and Co, the property surveyors, have also launched a campaign to stimulate hotel building, particularly in areas outside the city centre. The LTB estimates that 10,000 more rooms could be needed by 2000 to cope with growing tourist demand. The main shortage is of affordable hotels and, given the high cost of land in central London, it seems sensible to situate new hotels in areas outside the centre such as Docklands and the South Bank.

Last summer, Accor, the French hotels group, opened one of its three-star Novotel hotels near Waterloo station and Lambeth Palace, home of the Archbishop of Canterbury. Whitbread, the brewing and

the Archbishop of Canterbury.
Whitbread, the brewing and leisure company, last month said that it would be building two hotels in County Hall, the former home of the Greater London Council, on Westminster Bridge on the south side

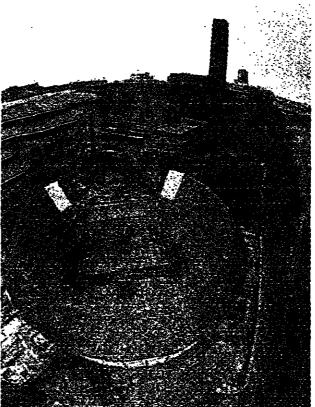
of the Thames. The move was welcomed by Ms Virginia Bottomley, the National Heritage secretary, as "a vote of confidence in the efforts we are making to attract more visitors". Whitbread is developing a 200-room four-star Marriott hotel and a 318-room Travel Inn budget hotel and is also planning two other Travel Inns, one of 220 rooms at Euston and one of 150 rooms at Putney Bridge.

Mr Trevor Ward, director,

Mr Trevor Ward, director, BDO Hospitality Consulting, says this development will help focus attention on the south of the river as a tourist destination.

However, Mr Ward believes it will be more difficult to attract tourists to hotels in some other parts of south London. "County Hall is on the doorstep of the city centre but in other areas you'd need more than a hotel – you'd need a reason for staying there. It could be difficult to make money out of building a tourist attraction in some of these areas," he says.

The LTB's Mr Chenery disagrees. He believes there is demand for hotel accommodation in the south London boroughs and cites the Scandic Crown hotel at Nelson Dock in Southwark and the Britannia International in the Isle of Dogs in the east end as evidence. "A market exists and the scope to develop hotels in the centre is not easy," he



lew sites: the Globe theatre and Bankside Power Station

The Financial Times plans to publish a Survey on

Kent

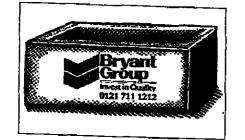
on Thursday, 7 March 1996.

- The FT is circulated in 160 countries worldwide, with a readership in excess of one million people.
- The Weekday FT is read by 162,000 business executives in Great Britain.
- More business executives in significant UK organisations read the FT than any other National Daily Newspaper.
- More than half of Europe's top Chief Executives read the FT.
- The FT reaches more Captains of Industry in Great Britain than any other national newspaper.

For a full editorial synopsis and details of available advertisement positions, please contact

Jeremy Nelson Tel: 0171-873 3447 Fax: 0171-873 3062

FT Surveys



FINANCIAL TIMES COMPANIES & MARKETS

The easiest way to get your

message across UK: 0500 101 600 Europe: +44 181 288 4422 Asia Pacific: +852 2802 2677

OTHE FINANCIAL TIMES LIMITED 1996

Monday January 8 1996

MARKETS



GERARD BAKER: GLOBAL INVESTOR Financial markets received the news of the departure of the latest Japanese prime minister on Friday with customary sangfroid. In actors may change with bewildering rapidity, but the plot evolves rather more slowly. Page 24



ROBERT CHOTE: ECONOMICS NOTEBOOK Governments have spent much of the 1990s learning to live with disenchantment among the electorally pivotal middle cla So it is somewhat ironic that. in countries such as the US. many economists have argued that the middle class is shrinking. Page 24

With bank loan interest rates at their lowest for many years, and not seen rising in the short term, dealers in the International syndicated loans market are gearing up for another busy year. Page 26

For shares in London, the most important

economic numbers due this week are likely to be Thursday's manufacturing output and industrial production figures. In the US, talks between President Clinton and the Congressional Republicans over the budget dispute will continue to be a significant factor. Page 27 **EMERGING MARKETS:**

investors hoping the new year would usher in a better performance in Taiwan's stock market than last year's abysmal showing met severe disappointment. The news is not likely to get much better during the first half of the year. Page 25

CURRENCIES:

In spite of the wrangle over the US budget, most analysts and investors are bullish, with good reason, about the dollar, but it is by no means one-way traffic. Page 25

COMMODITIES:

Pests and drought devastated cotton yields last year, sending prices to record highs. So seminars on biotechnologies to fight such blights are expected to attract swarms of participants at this veek's 1996 Beltwide Cotton Conference.

INTERNATIONAL COMPANIES: Goldman Sachs, the US investment bank, is close

to buying AMF, the country's biggest operator of bowling alleys, for about \$1 bn. Page 23

UK COMPANIES:

Meggitt, the aerospace and electronics engineering company, is today expected to announce the resignation of Mr Nigel McCorkell, its deputy chairman. Page 22

STATISTICS

Base lending rates Company meetings 11 FT/S&P-A World indices ... 24 FT Guide to currencies 25 Foreign exchanges ...

London recent issues ... London share service ...30,31 Managed fund service .32,33 New int bond issues New York shares ..

Intel admits Pentium chip speed error

in San Francisco

Intel Pentium microprocessors, used in the latest high-performance desktop personal computers, are not as fast as had been claimed by the chip manufacturer. An error in software used to determine the speed of the chips produced false results. overstating the performance of some of Intel's newest Pentium chips by about 10 per cent, the company announced on Fri-

day.

The error is an embarrassment for Intel, the world's largest chip maker, reviving memories of the 1994 revelation of a defect in early versions of the Pentium chip. "We are embarrassed and truly sorry for this oversight," said Mr Fred Pollack, director

Faulty software brings fresh embarrassment to world's largest microprocessor producer

and planning group.

Intel's admission and its apology are in sharp contrast to the company's response in 1994 when a mathematics researcher discovered a flaw in the Pentium chip. Intel at first denied the significance of the flaw. An outcry forced the company to offer to replace the chips at a cost of

Having learnt its lesson, Intel has taken a different approach to the latest Pentium problem. "Rather than hiding it or saying it's not important, we are making this

of Intel's measurement, chip architecture information public. And if we take a shot in the stomach, we take a shot in the stomach," the group said. However, investors did not appear to be concerned by Intel's announcement. The company's

shares closed unchanged at \$57% on Fri-

day. Intel's dominant role in the market for microprocessor chips used in PCs is unlikely to be affected. Although competitors make faster chips, Intel's devices have become the industry standard, accounting for about 80 per cent of microprocessors

Shot in the arm

Top 10 companies by sales, 1995

Snistol-Myers Squibb

Glaxe Wollestee

plaints. The company said it was investi gating whether any customers had pur-chased its chips solely on the basis of the

Separately, Intel and Advanced Micro Devices reached a five-year cross-licensing agreement on patents and certain copyrights, the semiconductor manufacturers said. Financial terms of the new agreement were not revealed. A previous licensing agreement between the companies

expired at the end of 1995. Intel and AMD have a history of legal battles over intellectual property rights. The companies reached a broad settlement 12 months ago and agreed as part of that settlement to negotiate a new cross-licen-

next Forte bid move By David Blackwell in London

Granada

considers

today to decide how to continue its £3.3bn (\$5.1bn) hostile takeover battle for Forte, the UK's largest hotels group.
The meeting follows last night's discussions between the TV. catering and leisure group's executive directors on their

options following Forte's surpris-

ngly strong defence. The most

Granada's full board convenes

likely move appears to be an increase in the bid tomorrow the last possible opportunity. In November, when Granada launched the bid, it offered four shares plus £23.25 cash for every 15 Forte shares. At Friday's close the offer was worth 325p a share.

with a fully underwritten cash alternative of 321.67p. Some analysts believe Granada needs to raise the offer to the equivalent of more than 380p a share to be certain of victory. But an increase to between 340p

and 380p looks more likely. However, Mr Gerry Robinson Granada chief executive, could also decide to make a bold attempt to win without increasing the offer. The group would rely on the strength of its business plans for a combined group to win institutional backing - it has cited possible savings of £100m in the first year.

A third option is to walk away from the deal, as the group did last summer with contract caterer Eurest International. Not long afterwards. Compass, the world's biggest catering group, paid £580m to acquire Eurest from Accor, the French hotels

and catering group.

Some observers believe institutional shareholders in both groups would be happy to see Granada buy the roadside restaurant businesses and budget hotels, which Forte has lined up to sell to Whitbread for £1.05bn. But this option is unlikely as Granada in purchasing and staffing would disappear.

Meanwhile, Granada yesterday said it would be asking Kleinwort Benson to clarify one of the figures in a brokers' report issued on Friday. Granada believes Forte shareholders opting for the share buy-back planned if the bid were to fail would retain 79 shares worth 301p. not the 330p assumed by Kleinwort. The lower value reflects the effect of the planned distribution of Forte's shares in Daniel Green | the Savoy Group.

Opinions are divided over prospects for shares in 1996 after astonishing increases in 1995 Pharmaceutical groups

finish the year on a high hares in the pharmaceuticals sector had a marvellous 1995, but 1996 may not turn out to be as lucrative for

Last year's performance was unexpectedly strong: shares in the world's pharmaceuticals companies rose 47 per cent, their best performance since 1986. They outperformed global stock markets

by 26 per cent. Some companies did spectacularly. Shares in US company Pfizer, the world's seventh biggest drugs company by sales, rose more than 70 per cent. Merck of the US and SmithKline Beecham of the UK had share price rises of over 60 per cent. The increase in Merck's market capitalisation was more than

Analysts are united on the two main reasons for their astonishing rise. First, drug shares had fallen 6 per cent between 1992 and 1994 as investors fretted over the possibility of US healthcare reform and the reality of cost controls imposed by governments in Europe and Japan.

level came when the US reform plans were shelved and when it became clear that changes elsewhere could be absorbed without serious damage to profitability. Second, drugs industry executives discovered they could cut

costs with little apparent damage to prospects for growth. The 1980s was a decade of unprecedented profitability in the sector. Many companies, by their own admission, allowed cost control to fall down the agenda.

Much of the recent restructuring came after mergers or acqui-

sitions. Glaxo announced savings as likely to have a good year of £700m (\$1.1bn) a year after its £9.1bn takeover of Wellcome last year. Bid speculation and the

prospect of lower costs lifted share prices. If there is little dispute about why 1995 was so good, there is plenty of room for divergent views on 1996. Leading the pessi-mists is BZW, whose 125-page analysis of the European pharma-He says that mergers and costceuticals sector, published last

week, announced: "The bear is Its argument is based largely on share price charts and price/ earnings ratios. Looking back at more efficient industry," he says. the last five years of share prices and earnings, BZW notes that the sector has never been able to stay above a 21 times price/earn-

ings ratio for long.
"The sector started 1995 on 12.1 times earnings. Today's valuation is a heady 21 times," it says. "Valuations cannot be maintained at this level." It adds that "drug price pressures have not gone away". Healthcare reform may re-emerge as a US presidential election in November nears. BZW savs investors should

back!

"take profits" in a number of their pharmaceuticals investments. Some shares including those of Glaxo Wellcome and Pharmacia & Upjohn, will be cheaper in a year's time than now. Few analysts are as pessimistic as BZW, and some take an opposing view. James Capel, for example, argues that the extent of profitability improvements likely from cost-cutting has not yet been realised.

Mr Andrew Tivenan, a Capels pharmaceuticals analyst, picks companies in continental Europe

because they are yet to make as many cuts in their costs as their US, UK, and Swiss rivals. He forecasts that the sector

"will do well" over the year, suggesting if inflation returns, more cyclical sectors would benefit. Mr James Culverwell, of stock broker Merrill Lynch is upbeat.

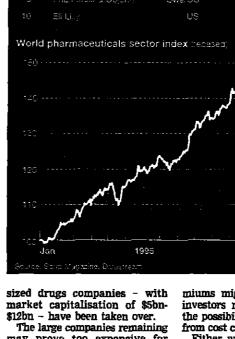
cutting "are extremely beneficial to the sector in the long term". "Some of the less efficient companies have been taken over. Successful companies have eliminated borderline research programmes. The result is a much

Much of the disagreement could be resolved by any sharp move in the strength of the US dollar, in which the bulk of drug sales take place. Profits at sev-eral continental European companies, especially German groups such as Schering, and Ciba of Switzerland, were hurt last year by the falling value of dollar sales in their home currencies.

However, BZW argues that since a 15 per cent fall by the pean currencies did not hurt share prices, a recovery should not lift them.

Another means of clarifying the direction of shares could be more hostile bids. The widespread bid speculation that gripped the sector after Glaxo's £9.1bn bid for Wellcome in January 1995 was one of the factors behind, for example, Zeneca's near-50 per cent share price rise over the year.

But analysts agree that further large hostile takeovers are unlikely. Almost all of the mid-



\$12bn - have been taken over. may prove too expensive for potential acquirers. More likely, perhaps, are friendly mergers along the lines of the 1989 merger of Smithkline Beckman of the US

and the UK's Beecham. Opinion is divided on what this would mean for shares. Bid pre-

miums might vanish, but some investors might be attracted by the possibility of higher earnings

from cost cutting.
Either way, there does appear to have been one sea change in the past year. The rise in shares over the year has anticipated a rise in corporate earnings. Now the industry must deliver.

This week: Company news

LONRHO Demerger question still paramount

Lonrho is expected this week to confirm that it is studying demerger plans.

The most likely scenario is believed to be a flotation of the mining business after the group has been split in two.

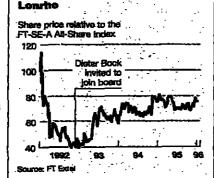
However, Mr Dieter Bock, the chief executive who is radically reshaping the international conglomerate, is likely to announce that nothing concrete has been decided. Lonrho is reporting full-year results

on Thursday. Mr Bock is expected to indicate that the recovery in the group's pre-tax profits is continuing and there might even be a modest increase in the dividend. Profit forecasts range between £140m and £150m (\$215.6m-\$231m) compared with £112m reported for 1993-94, still leaving Lonrho some way to go before it matches the £165m for 1992-93.

Mr Bock, who last year ousted his predecessor and Lonrho's founder, Mr Tiny Rowland, is said to be eager to find ways to reveal more clearly the true value of the components that make up the group in which he is the largest private shareholder.

Lourho's mining interests, at present in the spotlight, include 41 per cent of Ashanti Goldfields of Ghana, recently floated in London and Accra, and 32 per cent of Impala Platinum Holdings, if the proposed merger between Gencor's and Lonrho's South African platinum interests goes ahead. That would result in the formation of the world's biggest producer of platinum and the implications are being considered by the European Commission.

Meanwhile, Mr Bock has been busy restructuring other parts of the group. The hotels business has now had a full year as a consolidated subsidiary and it could be sold or reversed into another company. The African trading operations have been reorganised into a more sensible structure which would enable them to be floated, or separated



Takeover work to boister US bank

As the year-end corporate earnings season gets under way in the US, one of the first to report will be J.P. Morgan, the New York-based bank whose results are due on Thursday. For Morgan, 1995 ended on a far

stronger note than the year before. The rising interest rates and bond market slide of 1994 were capped in the final quarter of that year by Mexico's financial collapse. That resulted in earnings per share of only 96 cents for the last quarter, and an earnings weakness that carried into early 1995.

The latest figures should look different. US markets were far more hospitable for traders in 1995 - though big bond houses such as Morgan generally took fewer risks than in 1993, the last time the fixed income markets performed as strongly, and so will see lower trading profits than in that year. On the other hand, the bank's push

into the mergers and acquisitions business began to pay off as the US takeover market had its most active year ever. That resulted in jobs such as advising Westinghouse Electric on its purchase of CBS, one of the biggest deals completed in the fourth quarter. As a result, Morgan's fourth-quarter profits should broadly match those of the three months before, when it reported earnings per share of \$1.78 though the outcome will depend in part

on the level of profits the bank takes

from its investment portfolio.

OTHER COMPANIES Uncertain times for German steel sector

Thyssen Stahl, Germany's biggest steelmaker, on Wednesday reports its results for 1995, a year during which the steel division helped propel Thyssen's group net profits to DM775m (\$538m). Just how big the profits for the steel division will be remains something of a mystery because of Germany's nebulous accounting procedures. Thyssen Stahl reported net losses of DM448m for 1994. There has been talk recently of profits last year of more than DM400m, but Mr Alan Coats

forecast net earnings of DM326m. After considerable restructuring during the recent steel recession, Thyssen Stahl is expected to benefit from the improved steel market this year. However, new orders were slowing in the second half of last year and part of the company's workforce is still working short time, both factors which heighten uncertainty about the

of Merrill Lynch, the US brokers, has

outlook for the steel market this year. The company will be cheered by the news from the US last week where Nucor, the leading US mini mill, raised prices by \$10 per tonne. However. European steel prices remain higher than in the US and there is likely to be continuing pressure for further production cuts across the European industry, Thyssen included, if prices are to remain steady.

Share price relative to the DAX Index 105

reveal a strong increase in interim pre-tax profits when it reports today. Analysts are forecasting profits of £11.5m to £12.5m (\$17.7m-\$19.3m) for the six months to October 31, against the £10.5m in the same period last year.

■ Dixons: The UK's biggest electrical retailer is expected on Wednesday to report a strong increase in pre-tax profits - from £26.6m to between £38m and £41m (\$58.5m-\$63.1m) - for the first half to mid-November, plus double-digit sales growth over Christmas.

■ Matthew Clark: The UK drinks maker and distributor is expected on Thursday to report interim profits of £15.5m (\$23.87m). This is more than double the previous first-half result, and reflects a full six-month contribution from Gaymer, the cider maker acquired for £105m in October 1994. The results should show that the

■ Ellis & Everard: The UK's largest targets set for the Gaymer acquisition chemicals distributor is expected to have been met, Companies in this issue AMF Dresdner Bank 23 Scottish Amicable 22 Airbus 3 Enron 3 Searce **22** Ashquay Escom Severfield-Reeve 22 BAA 22 Forte Sogemin BHP 23 Goldman Sachs 23 Tannec 22 BICC 22.5 Granada Trafalger House Banco Excel 23 Lehman Brothen Vobis 23 CanWest Global Magma Copper WIC 23 23 Meggitt West Merchant Bank 23 Memil Lynch Codelco 23 23 Deutsche Bank



UK NEWS DIGEST

BICC to revamp **US** operations

BICC, the international cables and construction company, will today announce the latest stage of its £80m rationalisation programme with a restructuring of its US operations.

The company, which last autumn warned that sluggish demand for low voltage cables would dent its 1995 profits, has drawn up plans to merge its US utility cable and industrial cable operations into a single company.

About 4 per cent of BICC's 2.200-strong US workforce are

expected to lose their jobs as part of the merger, involving the closure of the Pennsylvania headquarters of BICC Industrial

The move follows the announcement last November that BICC was closing its insulated cable plant at Yonkers, New

York, and the Schönow cables factory in Germany. Sluggish demand for industrial cables has persuaded other cable companies such as Delta of the UK and Alcatel Alsthom. the French transport and engineering group, to restructure their manufacturing operations.

BICC said the final stages of its rationalisation would be in place by the time it announces its full year figures next month. It is expected to announce pre-exceptional profits of about £110m, down from £128m last time.

After the 580m rationalisation charge and a 244m goodwill write-off on its housebuilding arm – sold last month for £60.7m - BICC is likely to report a pre-tax loss of up to £15m. The results are likely to be accompanied by details of BICC's ambitions in the Pacific Rim and plans for further investment in fibre optic cables.

Sears in talks over shoe chains

Mr Stephen Hinchliffe, the Sheffield entrepreneur who has been building up a diverse portfolio of lossmaking retail and brand interests, is understood to be in early discussions with Sears over the possible purchase of the Dolcis. Saxone and Curtess shoe chains.

Sears is expected to elaborate on plans for the shoe chains when it makes a trading statement on Thursday. The statement is widely expected to lead to a substantial downgrade of analysts' forecasts for this year. While Selfridges' is expected to announce trading improvements, business has been much tougher for the shoe shops.

Sears has already indicated that it plans to accelerate the conversion of many of the high street shops to the new Shoe City and Shoe Express formats. However, it is understood to be reluctant to close those which it does not want to convert. The discussions with Mr Hinchliffe are at a very early stage. Indeed, Sears is thought not yet to have decided whether any disposals should proceed.

The company has already done one deal with the Sheffield businessman, who in the last 18 months has purchased a series of lossmaking businesses, including Sock Shop and Salisburys. Sears sold 250 Freeman Hardy Willis shoe shops to his company. Facia, in the autumn for an undisclosed sum. Peaau Hollinaer

Ashquay transformation

Ashquay Group has completed its transformation into a property company with the sale of its Unit Pallets offshoot to two directors.

The company also announced the acquisition of Hardcastle Homes, a residential property company, and a return to profits with £35,000 pre-tax (£120,000 losses) for the six months to

The company, which changed its name from Unit Group last October, is selling the pallet manufacturer to Mr Mike March, the company secretary, and Mr William Covey for £1.4m, of which £1.1m is payable in cash and the balance in preference shares. Net inter-company balances of £235,000 owing to Unit will be repaid at completion.

The disposal will remove net debt of £713,000 from Ashquay. The company reported total pre-tax losses of £2.83m in the last

Hardcastle, in which three Ashquay directors have an interest, is being acquired for up to £2.77m. Ashquay is offering 5½ shares for each Hardcastle with a partial cash alternative of 41.2 shares plus 40p.

Wimpey rejects buy-out suggestion

By Robert Corzine

Wimpey, the UK's biggest housebuilder, yesterday rejected suggestions that its planned asset swap with fellow construction group Tar-mac could be undermined by a rival management buy-out

The company said it was "surprised and annoyed" at newspaper reports of dissension within the Wimpey board over the asset swap, the biggest ever realignment in the UK construction indus-

It blamed "a small number of disaffected employees" for trying to "derail" the deal with Tarmac. "The board is united" in wanting to see the asset swap go ahead. Wimpey said. "It has not considered any management buy-out and nor will it do so."

Under the proposed swap, Wimpey is to absorb Tarmac's housing division, taking its market share to 10 per cent and almost doubling its size in the private homes mar-

Tarmac will get Wimpey's contracting and quarrying businesses, reinforcing its position as the UK's biggest supplier of aggregates and coated stone.

It will become the second largest building and civil engineering company with an annual construction turnover of about £1.75bn, compared with the market leader Amec's sales of £1.9bn last

The two companies expect that due diligence work on the swap will be completed in the next 10-14 days. "We are proceeding as planned," said Wimpey.
The asset swap has gener-

ally been welcomed by analysts, who say it will help the two companies to play to their traditional strengths.

Meggitt deputy chairman quits

Meggitt, the aerospace and electronics engineering company, is today expected to announce the resignation of its deputy chairman after deciding there was no longer a role for

Mr Nigel McCorkell has quit his £180,000 a year job after completing a non-core disposal programme aimed at transforming Meggitt from a diversified manufacturer into a more

specialist engineering group. Although the company said Mr McCorkell had not been ousted, some City analysts suggested the "timing was not of his own choosing". He was director respectively. said to be negotiating a compensation package based on a

three-year rolling contract. Mr McCorkell's departure ends a long partnership with Mr Ken Coates, executive chairman at Meggitt. The two led a management buy-out of the Dorset-based group in 1984,

ing - another Dorset engineer-ing company - to become managing director and finance

His resignation on Friday followed a management overhaul last month in which Mr Mike Stacey was promoted from group managing director to chief executive.

At the time, the company said Mr McCorkell would continue as executive deputy chairman with responsibility

when they left Flight Refuell- for acquisitions and disposals. Those disposals were largely completed just before Christmas with the sale of six subsidiaries involved in analytical instrumentation and fluid pro-

cessing. The non-core businesses were acquired by a management buy-out team for 522.8m: the company said that it would incur a £1.8m loss after writing £12m off goodwill on the disposals.

Meggitt was said to be nego-

tiating the sale of Sunvic Group, the German controls business - the last of the businesses that it has decided to divest.

The disposal programme was announced last March, shortly after TT Group, the acquisitive conglomerate, acquired a 4.3 per cent stake in Meggitt. Although some analysts suggested the disposals were part of a bid defence, TT made no formal approach and subse-quently sold its holding.

Severfield makes diversification

Severfield-Reeve, one of the UK's biggest structural steelwork fabricators, will today announce its first diversifica-tion, into the manufacture and marketing of equipment designed to improve standards of cleanliness in the food

industry.

Manabo UK, in which Severfield-Reeve has a 75 per cent stake, will make cleaning and disinfecting machines for knives and chainmail gloves, as well as the gloves themselves and knife sharpening machines.

The new venture comes at a time of strong growth in the company's core business of design, fabrication and erection of structural steelwork for steel-framed buildings.

Mr John Reeve, chairman, says Severfield-Reeve's trading performance in 1995 was materially ahead" of market expectations, with pre-tax profits certain to exceed analysts' recent forecasts of £2m, up from £722.000 in 1994.

Prospects for 1996 are also considerably better than could have been foreseen a few months ago. He says this will be reflected in dividends for 1995 and 1996. The 1994 total pay-out was 1p. Severfield-Reeve

emerged as one of the strongest survivors in its sector of the early 1990s recession,



John Reeve (left) and John Severs, managing director: 'any company must grow to remain viable'

which removed about 250 businesses from the UK's constructional steelwork industry.

It begins 1996 with a record structural steelwork contracts for the new semiconductor plants being built in north-east England by inward investors Fujitsu and Siemens.

Next Monday, at Severfield-Reeve's North Yorkshire site, a former Lancaster bomber base. a third production line comes on-stream, a £1.2m investment which is the company's third expansion in 18 months

The new line is intended to enhance efficiency and capacity at a plant which already claims to be the largest single It begins 1996 with a record volume producer of steelwork £12m order book, including in the UK, and the most efficient in Europe in output per

> Mr Reeve admits the leap from structural steelwork to food industry equipment may surprise some observers but. he says: "Any company must grow to remain viable. We are trying to broaden the company's horizons, while keeping tight control and imposing the same disciplines.

Manabo's products, intended for use in food retail premises and processing plants, have been developed in the Netherlands. Knives and chainmail gloves can be cleaned and disinfected in 10 to 20 seconds. Manabo UK will manufacture the products, for sale world-

wide, from a new factory to be build at Severfield-Reeve's site. Manabo (Holland) has distribution rights in mainland Europe and Scandinavia; Manabo UK, 25 per cent owned by its managing director Mr Richard Harley and his family, will market them elsewhere

Scottish Amicable growth

By Alison Smith,

A sharp rise in single premium investment business, which more than doubled to £333m driven by the popularity of a guaranteed personal equity plan, was the main factor behind the rise in new business figures published by Scottish Amicable, the mutual life assurance eroup.

The group's annual premium new business totalled £86.2m last year, 8.5 per cent higher than in 1994, while lump sum policy sales rose by almost half to £505.9m.

Though the increase is less marked when investment business is excluded, any rise in sales of individual life and pensions policies is against the trend for the sector as a whole.

Apart from investment business, the greatest growth was recorded in savings and protection policies, which rose by two thirds to £9.6m in regular premiums. Despite the sluggish state of the housing market. mortgage business rose 11 per cent to £38.1m.

However, sales of both company and personal pensions were hit, with overall pensions business 13 per cent lower than in 1994 - lump sum pensions were particularly depressed.

BAA plans venture on Continent

By Peggy Hollinger

BAA, the UK airports group which is pursuing expansion plans in the US and Australia, is set for its first venture on the European Continent with stake in the company operating Naples airport.

of intent with Gesac, the operating company which has a concession to run the airport until 2012, indicating its interest in buying a stake of about

75 per cent. It is estimated that the deal, if it proceeds, could cost BAA in the region of

BAA said the letter of intent simply marked the opening of official negotiations with Gesplans to take a controlling ac's shareholders. Gesac is 47 per cent owned by the City of lia which may come up for pri-Naples, 47 per cent by the prov-BAA will today sign a letter ince of Campagna and 5 per cent by the Italian airline Alitalia. The talks were likely to continue until the middle of the year, BAA said.

The UK company remains

communitted to its expansion plans elsewhere. It recently concluded a deal to run Indianapolis airport, and said it expected the next international deal to emerge in the US. It is also planning to bid for

one or more airports in Austravatisation at the end of this year. The Australian programme could mean substantial investment for BAA, in the region of up to £300m, which could be funded through a debt issue.

CROSS BORDER M&A DEALS BIDDER/INVESTOR VALUE COMMENT Semiconductors Hitachi(Japan)/LG £280m Chip venture Semicon (S Korea) Cash/debt offer Phillip Morris (US) Lacta (Brazil) £108m Ashanti Goldfieids Cluff Resources (UK) Mining Unconditional Calor(UK)/SHV(N'lands) SDG(Brazil) Gas £42m Joint stake £22m Hickson sale Tessenderlo (Belgium) Hickson Kerley (US) Chemicals Sema (France/UK) Tibet (France) Computer servs £12.1m Outstanding buy invesco (UK) AJM (HK) Buy from Aetna Fin services £6.4m Unit of Brent Int'l Dynamit deal (Germany) Pechiney (France) Capolo (Italy) Packaging n/a Option exercise

THE JAPANESE WARRANT FUND

Sociéte d'Investissement European Bank & Business Centre, 6, route de Trêves L-2633 Senningerberg, Crand Ducky of Luxembourg

R.C. Luxembourg No. B 31629 The shareholders of THE JAPANESE WARRANT FUND ("the Corporation")

are hereby convened to an **Annual General Meeting**

to be held at the registered office of the Corporation, European Bank & Business Centre. 6, route de Treves, 1-2633 Senningerberg, Grand Duchy of Luxembourg on Wednesday 17th January 1996 at 4.00 p.m. for the purpose of considering and voting upon the following agenda:

- Submission of the Report of the Board of Directors and of the Auditor;
- Approval of the Annual Report for the year ended 30th September 1995;
- Discharge of the Directors:
- 4. Election of Directors and Auditor:

Resolutions on the agenda of Annual General Meeting will require no quorum and will be taken at the majority of the Shareholders present or represented. A Shareholder entitled to attend and vote at the meeting may appoint a proxy to attend and vote on his behalf and such proxy need not be a shareholder of the Corporation

In order to be able to attend the meeting, holders of bearer shares must deposit their bearer share certificates five working days prior to the meeting with the following institution

Kredietbank S.A. - Conservation Titres 43, boulevard Royai - L-2955 Luxembourg

Shareholders who cannot personally attend the meeting are requested to use the prescribed form of prove (available at the registered office of the Corporation) and return it at the latest two working days prior to the date of the Annual General Meeting to the Corporation, c/o Fleming Fund Management (Luxembourg) S.A., L-2888 Luxembourg-

By Order of The Board of Directors: HENRY C. KELLY, December 1995

FLEMINGS

FT CITYLINE

Asian Financial Reports

Listen to the latest FT Cityline stock market news:

Asia-Pacific – Major stock markets 0891 43 00 33

Calls are charged at 39phone charp rate and 40phone at all other tune smal services to containers outside the UK, please call =44 171 873 4378

NEW ISSUE January 5, 1996 FannieMae

> \$400,000,000 5.375 % Debentures

Dated January 10, 1996 Due January 13, 1998 Interest payable on July 13, 1996 and semiannually thereafter. Due January 13, 1998

Series SM-1998-X Cusip No. 31359C CC7 Callable on or after January 13, 1997

Price 99.97656 %

The debentures of January 13, 1998 are redeemable on or after January 13, 1997. The debentures are redeemable in whole or in part at the option of the Corporation at any time (and from time to time) on or after the initial redemption date at a redemption price of 100% of the principal amount redeemed, plus accrued interest thereon to the date of redemption.

The debentures are the obligations of the Federal National Mortgage Association, a corporation organized and existing under the laws of the United States, and are issued under the authority contained in Section 304(b) of the Federal National Mortgage Association Charter Act (12 U.S.C. 1716 et seq.).

The debertures, together with any interest thereon, are not guaranteed by the United States and do not constitute a debt or obligation of the United States or of any agency or instrumentality thereof other than Fannie Mee. The offering is made by the Federal National Mortgage Association through its Senior Vice President and Treasurer with the assistance of a nationwide Selling Group of recognized dealers in securities.

Debentures will be available in Book-Entry form only. There will be no definitive securities offered.

Linda K. Knight Senior Vice President And Treasurer

This announcement appears as a matter of record only. This announcement neither an offer to sell nor a solicitation of an offer to buy any of the Deben

ATLANTAS SICAV

AVISIAUX ACTIONNAIRES envolptes par le présent avis a L'ASSEMBLEE GENERALE EXTRAORDINAIRE DES ACTIONNAIRES qui se ternéra au siège acest à l'usembourg le 14 favorr 1996 à (obth) avec l'ordre du pour suprime. ORDRE DU JOUR

 Amendement de la prendère phone du vocand paragraphe de l'Article huit des status desertus la paragraphe de l'Article huit des status desertus du 8 mars 1940 de la società comme sunt; Acticle Huit L'assemblée générale atmuelle des actionnaires se tiendra contormément à la loi à Lucembrage, ai sege social de la Société ou en lois autre endreir à Lucembrage qui sera fixé dans la comocation, le quanteur pend du mos de Mars à que évre heures temie.

ndement de l'Article vings deux des dans dans du 5 mars (990) de la vocatie comme vise. Sur proposition du Conseil d'Administration, l'assemblee generale des automnaires nominers un revieur d'entrepraces pour evécuier les tâcles presues par la loi et fixers la durée de son mandal.

e quantum de l'entrement requis pour cette Assemblee Generale Estraordinaire est de 50% du apstal représenté par les actionnaires présents ou représentes par procuration. Les révolutions devront être prises à la majorité des deux tiers des voits des actionnaire préceste ou représentés. Chaque extern à un dont de voie. Tout autonomie pout voire pur normistaire. Pour la Souchée.

BANQUE DE GENTION EDMOND DE ROTHSCHILD LUXEMBOURG 38 Boilovird Emmanyel Servain L-SM LUMEMBOURG

Notice to the Holders of CANADIAN PACIFIC LIMITED

Yen10,000,000,000 6.75% Debentures due January 23, 1996 (the "Debentures")

NOTICE IS HEREBY GIVEN that, pursuant to Clause 13 (c) of the Paying Agency Agreement dated as of January 23, 1986. Canadian Pacific Limited has, with effect from December 1, 1995 (the Transfer Date") appointed Morgan Guaranty Trust Company of New York, London as successor Principal Paying Agent for the Debentures.

Agent for the Denentures.

With effect from the Transfer Date holders of Debentures and Coupons will no longer be able to present them at the offices of The Daiwa Bank Limited, London. Debentures and Coupons may continue to be presented at the offices of Banque Generale du Larcenbourg S.A., Larsenbourg, Morgan Guaranty Trust company of New York, Brussels and Daiwa Finanz A.G., Zurich and additionally may be presented at the offices of Morgan Guaranty Trust Company of New York, London as specified below.

SUCCESSOR PRINCIPAL PAYING AGENT Morgan Guaranty Trust Company of New York 60 Victoria Embankment London EC4Y 0JP

CANADIAN PACIFIC LIMITED

By: Morgan Guaranty Trust Company of New York, London as Successor Principal Paying Agent Dated: January 8, 1996

Carrefour (

SALES, TAXES INCLUDED AS OF DECEMBER 31, 1995

			12 months ended December 31st, 1995 vin PF millions)	% cumulated December 95 December 94
GROUP SALES	19,743	2.3	164,323	6.5
FRANCE	11.989	3.2	100,600	4.7

۲.

In December, Carrefour opened its first two stores in China: one in Beijing the 5th, the second one in Shanghai the 31st. After 24 openings during the year 95, the Group operates 245 stores in the world.

NOTICE OF EARLY REDEMPTION SECURED LOAN FINANCE NO.1 PLC

(the 'lanuer')
£75,000,000
Class A Mortgage Backed Floating Rate Notes 2018 £13,000,000

Mezzanine Mortgage Backed Floating Rate Notes 2018 NOTICE IS HEREBY CIVEN that, pursuant to Condition 5(D) of the Terms and Conditions of the Notes, the Issuer will redeem all outstanding Notes on January 31, 1996 at their principal amount outstanding. Payments will be made upon presentation and antrender of the Notes at the principal office of Horgan Guaranty Trust Company of New York in Landon or the principal office of Banque Graerale du Luxembourg SA in Luxembourg. Payments will be made by pounds sterling choque drawn on a town clearing branch of, or transfer to a pounds sterling account maintained by the payee with, a bank in the City of London.

Notes should be presented for paymont together with all unmatured composes. SECURED LOAN FINANCE NO.1 PLC

By: Morgan Guaranty Trust Company as Trustee Dated: January 8, 1996

By: Morgan Guaranty Trust Company as Trustee Dated: January 8, 1996

2 1. 17. 1. 2.

COMPANIES AND FINANCE

WestLB looks to London for growth

Germany's third largest bank is keen to build foreign business, writes Andrew Fisher

X / estdeutsche Landesbank Girozentrale, Germany's biggest public sector bank, is used to

Its holdings in non-banking companies have led to accusations of empire building, and commercial banks have charged that its capital base has been unfairly buttressed with regional housing finance assets. WestLB has also extended its influence through strategic stakes in other public sector banks.

However, in one area investment banking, where it aims to be among the European leaders - the bank is proceeding with a low-profile doggedness that has set it apart

Timp

reMae

from most German rivals.
Instead of following the acquisition route, it is concentrating on the development of West Merchant Bank, its London-based subsidiary.

Mr Friedel Neuber, 60, the chairman, said: "We are work-ing on the basis that we can build this [investment banking] up ourselves through our merchant bank in London." Not that Düsseldorf-based

WestLB has ruled out purchases. "We do not exclude niche acquisitions. We have looked at some houses in recent years. It's a question of our own culture and how to manage another bank. Building up an investment banking operation in our own bank structure is harder [than buying something]. But we think we shall succeed," said Mr

WestLB's reluctance to consider significant acquisitions in the sector contrasts with the willingness of other German banks to pay high prices for suitable names. Dresdner Bank paid DM2bn (\$1.37bn) last year for Kleinwort Benson, the UK merchant bank, and has just agreed the purchase of RCM Capital Management of the US for \$300m.

Bayerische Vereinsbank had hoped to buy Oppenheimer Group, a US broking, invest-ment banking and fund management company, for an esti-mated \$500m. However, the deal came unstuck over US regulatory problems.

Meanwhile, Deutsche Bank is forcing the pace of integra-tion of its investment banking business with Morgan Grenfell of the UK, which it bought in

ASSETS

WestLB has already benefited from the internal disruption at Deutsche Morgan Grenfell by attracting away a team of derivatives experts in New York for West Merchant Bank. The laconic Mr Neuber said more such appointments from other banks were likely as West Merchant - which aims to double staff of about 300 was developed as the nucleus of WestLB's investment banking operations.

As Germany's third largest bank, with total assets of about DM400bn - behind Deutsche Bank and Dresdner Bank -WestLB has long been keen to build up foreign business and follow its big corporate and state clients abroad. The bank, owned by the state of North Rhine-Westphalia and regional savings associations, is already represented in 35 countries. A third of its operating profits come from outside Germany.

To help develop its business in eastern Europe, it has recently agreed a co-operation deal with Bank Austria, which is being reinforced with a 9 per cent stake in the largest Austrian bank

WestLB also has a co-operation pact with Cassa di Risparmio delle Provincie Lombarde (Cariplo), which has a similar arrangement with Bank Aus-

Such deals look ahead to the prospect - strongly supported by Mr Neuber - of European Monetary Union, which forms an important part of the thinking behind WestLB's investment banking strategy. The German bank is strong in fixed-income D-Mark business, said Mr Neuber. "But we have to prepare for the time when the D-Mark is no longer there and a Euro-currency brings about changed trading condi-

Under WestLB's plans, its D-Mark-based business will continue to be handled from Düsseldorf, where the strategic investment banking decisions will also be made. Foreign currency transactions will be centred on London. Mr Neuber says the bank is thereby meeting the needs of its clients, mainly big German and European companies.

"Our customers' requirements have changed in recent years, with traditional loan financing giving way to a variety



Friedel Neuber: Preparing for the D-Mark no longer being there

Our large customers want access to such facilities Thus, West Merchant Bank

has developed its business in non-D-Mark bonds derivatives, equities, swaps and other instruments, as well as advising on mergers and acquisitions and new issues.

ven without an acquisi-tion, WestLB could spend several million D-Marks, taking all staff, advisory, computer and other costs into account.

It is also keen to build up its presence in asset management. This has a special strategic significance for us," Mr Neuber said. "In Germany, we have a strong position but around 95 per cent of this is D-Mark

The bank is still pondering whether to centre asset man-agement growth on West Mer-chant Bank or handle this separately. Nor has it decided how fund management should be split between Düsseldorf and

London. To build up its business specifically in asset management, Mr Neuber says acquisition is a possibility - "if a chance comes along, we shall consider it".

As well as serving its customers, through amplifying its investment banking activities, WestLB also intends to enhance its profits. Mr Neuber is optimistic about investment banking earnings for 1995. These will be considerably better than in 1994, even including our investment Overall profits are also

firmer. After a first-half rise of 63 per cent in operating profits to DM472m - mostly reflecting a recovery in financial trading profits - he is also hoping for better second-half figures. In 1994, operating profits edged up 3 per cent to DM813m. helped by asset disposals. Showing that big does not always mean boastful, Mr Neuber says with extreme caution: "I hope we can stay at this

Chrysler is also building a \$100m assembly plant in

International sales should

Chrysler to continue

overseas expansion

By Haig Simoniari in Detroit

Chrysler, the third biggest US car company, should continue its steady but belated push beyond its home markets by selling at least 20 per cent more vehicles outside North America and Mexico this year. Foreign sales figures for 1995 have not yet been pub-lished but Mr Tom Gale, the head of international operations, said registrations were likely to have risen almost 30 per cent to more than 200,000 units outside

North America and Mexico. Only about 10 per cent of Chrysler's total sales, amounting to 2.16m vehicles, in 1995 were sold abroad – well below the corresponding figure for General Motors and Ford. However, Mr Gale predicted that foreign registrations, which have climbed about 20 per cent a year since the group returned to foreign markets in 1988, were set to continue ris-

ing.
Last year's biggest sales increase came in Europe, where registrations jumped by 27 per cent to 84,500 units. The scale of the rise "surprised even us in view of the virtually static market", he

The surge stemmed from new models and a steady expansion of the company's European network. Mr Gale said Chrysler had now achieved its target of having almost 900 dealers, but there would be some changes to bring the network up to desired quality level.

Argentina, to make up to 20,000 Grand Cherokees a year. Mr Gale said it was also considering setting up a plant in Brazil, where the market has been booming. The comnany is still some way from a decision on the Brazilian project, but indicated there could be strong demand for pick-up trucks and even medium-sized

also be buoyed by last year's decision to take control of Japanese distribution by buying out Chrysler's local partner.

NEWS DIGEST

BHP wins control of Magma Copper

BHP, the Australian resources group, has won control of Magma Copper Company, the US metals producer, through a tender bid worth A\$3.2bn (US\$2.4bn). BHP said its offer of USS28 a share for Magma had gained acceptances representing about 87 per cent of outstanding Magma stock.

BHP now plans to proceed with completion of the merger, which will require a meeting of Magma shareholders to secure

approval before the Australian company can move to 100 per cent control. The Magma takeover will create the world's second largest copper producer (after Chile's Codelco), accounting for about 10 per cent of western world output.

Bruce Jacques. Sydney

Merrill Lynch to cut staff

Merrill Lynch is expected to make some staff cuts in its corporate and institutional client group in the near future. However, the reductions are thought to be around 250 people less than I per cent of the total workforce of more than 45,000.

Merrill declined to comment. The departures are likely to be across the range of personnel in the CIGC area, such as sales and trading of debt and equity, municipal bonds and invest-ment banking.

Maggie Urry, New York

Olivetti rights fully subscribed

Olivetti's L2.257bn (\$1.42bn) rights issue was almost fully subscribed, the Italian computer group confirmed. The company said 99.76 per cent of the offer had been taken up. The remaining 0.24 per cent would be sold on the market. The successful result was heralded by Mr Carlo De Benedetti, Olivetti's chairman, and by the markets before Christmas. When the capital increase was announced in September, many analysts predicted the shares would end in the hands of the

Mr De Benedetti has said as much as 70 per cent of the group's capital could belong to foreign investors following the rights issue. The proceeds of the capital increase, underwrit-ten by Lehman Brothers and a group of Italian banks, will be used to restructure and relaunch Olivetti as a broad-based information technology and telecommunications group.

Andrew Hill in Milan

German computer retailer ahead

Vobis, one of Europe's biggest computer retailers, which belongs to Germany's Kauthof group, reported a 16 per cent rise in sales to DM3.05bn (\$2.12bn) and said it expected pre-tax profits of about DM50m, similar to a year earlier. The results were significantly better than those of Escom, another German group vying with Vobis to become Europe's biggest computer retailer. Mr Theo Lieven, Vobis chief executive. described the market as difficult, but said Vobis had fared better because of "circumspect stock handling and stable financial and personnel policies". Michael Lindemann, Bonn

Court thwarts CanWest bid

A British Columbia court has thrown a spanner into CanWest Global Communications' bid to create a Canadian national TV network through its proposed acquisition of Vancouver-based WIC Western International Communications. The court ruling. which resolved a long-running dispute over control of WIC, makes it impossible for CanWest to fulfil the conditions of its

C\$636m (US\$470m) bid, which was due to expire on January 12.
WIC welcomed the ruling. The Griffiths family, which owns 62 per cent of WIC's class A voting shares, had rejected

Goldman Sachs to buy big US bowling alley chain By Richard Waters AMF, which owns more than The deal is in marked conbig losses on bridge loans used

in New York

Goldman Sachs is close to buying the US's biggest operator of bowling alleys, a deal which signals just how much Wall Street's buy-out habits have changed since the 1980s. The US investment bank is expected to announce soon, perhaps later this week, that it being made with is paying around \$10n for investment clients.

200 bowling alleys in the US

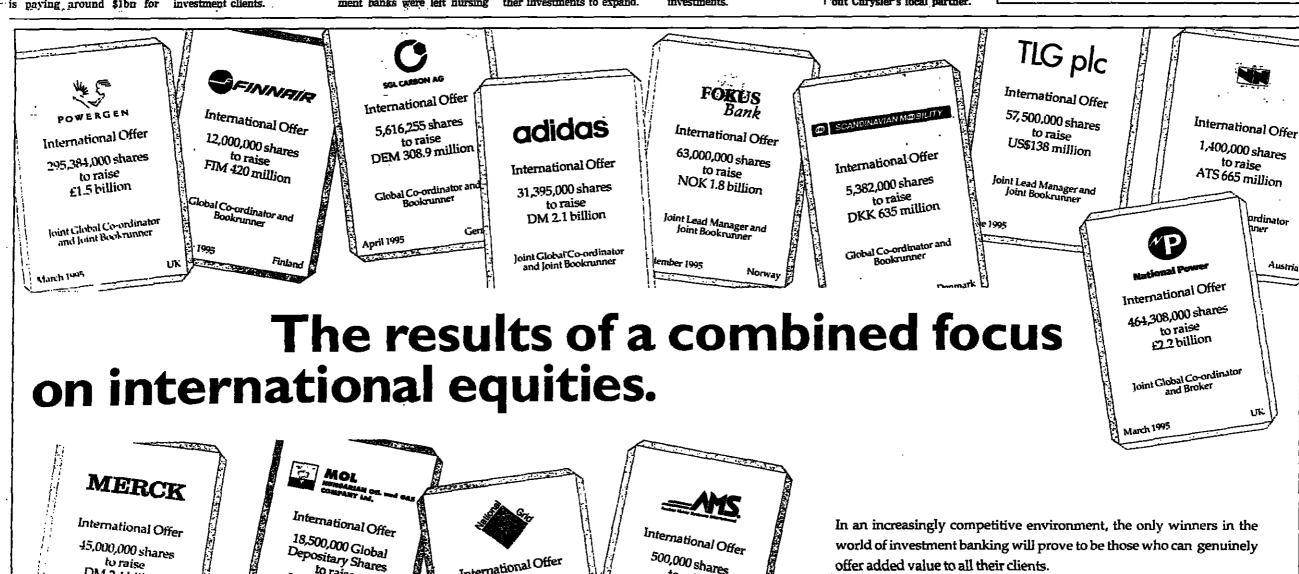
and 70 elsewhere. Goldman is believed to view the company as a platform for further expansion, both in the US and abroad. It was not clear late last week whether only the bank's partners would put up the equity for the buy-out, or whether the purchase was being made with some of its

trast to the sort of buy-outs that characterised Wall Street during the 1980s. Then, most buyers employed high levels of debt and planned to reorganise their acquisitions and sell them on quickly, either in

whole or in pieces. When the buy-out market collapsed at the end of the decade, a number of investment banks were left nursing to finance leveraged deals, leading to a general retreat from the business Those banks still in the busi-

ness have since tended to take stakes in industries which are consolidating or ones offering prospects for growth. Most deals have also involved lower levels of debt. and many have required buyers to make further investments to expand.

One result has been to concentrate the business in the hands of fewer institutions. Morgan Stanley, for instance which invests its own money alongside some of its big clients - has targeted industries ranging from food processing to insurance, which it believes are short of capital and present opportunities for private buyers prepared to build on their





That's why Dresdner Bank - Kleinwort Benson joined forces in international equities.

Dresdner Bank - Kleinwort Benson is now able to offer clients better opportunities and a greater range of products.

We offer a combination of focused expertise with international excellence in distribution.

Backed by the premier capital strength of the Dresdner Bank Group, Dresdner Bank - Kleinwort Benson has created a formidable partnership which is already a leader in international equities.



Kleinwort Benson

Issued by Kleinwort Benson Limited, regulated by SFA.

We're focused.

FINANCIAL TIMES

THIS WEEK





departure of minister on Friday with customary sangfroid In Japanese political drama the actors may change with bewildering rapidity, but the plot evolves rather more

Only when the bureaucraticindustrial-political nexus that controls the country decides that the objective facts of history demand a change of course do the policies change; and it is a rare moment when one of those occasions coincides with a mere change of

Yet some believe 1996 could well prove to be just one of those moments. The administration of Mr Ryutaro Hashimoto, the man most likely to ascend to the top job this week, could well coincide with something Japan has not seen for more than four years - real, sustained, economic growth.

If an incipient recovery, now a couple of quarters old, proves durable this time (and it has flattered to deceive on two occasions in the past three years), the implications for financial markets in 1996 will be dramatic. For the last few years all the energies of gov-

IARKET

Global Investor / Gerard Baker in Tokyo

Munificence: is the party over?

ernment have been bent towards engineering that elusive recovery. In 1995 those efforts moved up a gear or two. from the enthusiastic to the downright frantic as the authorities finally went for broke: producing the largest fiscal deficit seen in decades and reducing the cost of everyone's borrowing to almost zero. Though recovery itself can be expected to have a favourable impact on profits and equi-

ties at least, the effects of the concomitant policy adjust-ments (witness the US in 1994) can on occasions be even more spectacular. So any sign of a change in the authorities' stance will be pounced upon especially eagerly this year.

It is hard to see how the fiscal stance can change much from the current profligacy. The budget for 1996-97 has been agreed by the cabinet (though it has yet to pass a possibly hostile parliament). with the deficit set at \$200bn. But for reasons too familiar to be discussed here, the effects of the dumping of even such a surfeit of bonds on the markets Bank of Japan to the rescue Yen per doller Official reserves (Sbn)

are likely to be much smaller than the impact of any monetary policy changes.

1995

Source: Datastream/ FT Exter

So the real question is what will happen to interest rates? On this score, it is worth reminding ourselves of the scale of monetary easing induced by the Band of Japan

If they gave awards, Oscarlike, to central banks for their contribution to global economic performance every year, the Bank of Japan would have been the Schindler's List of 1995. The effects of its munificence were felt not just in domestic equity, bond and real product markets, but in foreign currency and overseas securities markets as well. From

about April last year the bank

produced and directed a star-

tling story of easy money. The effects of its munificence were

felt not just in domestic equity, bond and real markets, but also in foreign currency and overseas securities markets.

Short-term interest rates were driven into the zero zone while hefty currency intervention helped bring the yen down from its vertiginous heights of the summer; foreign currency reserves rose by more than \$50bn - 35 per cent in the next nine months. Even long-tern

37.0

Source: Cash & Bonds - Lehman Brothers. The FT/SEP Actuaries World Indices are jointly Goldman Sechs & Co., and Standard & Poor's.

interest rates were manipulated downwards in some unusual bond market operations by the bank.

The fixed-income market soared to new heights; a shrinking bond-equity yield ratio helped the stock market's second half rally and the yen fell by more than 15 per cent. For good measure, the hefty currency intervention meant the bank was one of the factors

supporting US treasuries. Can we expect much of this to unwind in 1996 if the recov-

ery is a genuine one? That certainly seemed to be a wide-spread fear at the end of last week. In the first two days of the trading year, the bond mar-ket was hit hard by a bout of new year economic optimism, and the yield on the 10-year benchmark bond rose above 3 per cent for the first time in four months. If fourth quarter GDP figures due next month prove to be as buoyant as the bond market seems to be expecting, the Bank of Japan may well decide that the party

is over. Fixed income markets would certainly suffer, but so too after a lag, might equities. though strengthening recovery would probably help the yen

But no-one seriously expects any economic recovery in 1996 to be anything other than gentle-paced. And even if it proved stronger, there are several reasons why the Bank of Japan would be in no immediate

Prices - of goods, services, and perhaps most important, land - are still flat to falling, and it will be a long time before demand pressures produce a genuine inflation prob lem. Longer-term. by 1997 something will have to be done about the fiscal condition - the bank will be anxious to offset any tightening there with a continuing relaxed monetary

stance. But most important, the authorities still have their eyes very firmly fixed on a fragile banking sector. Indeed, some would argue that the principal force behind last year's accommodation was a desire to produce a US-style banking recovery through a yield-curve steepening and debt monetisation. For all the talk of banking recovery, all but a handful of the stronger banks will need much more help of this sort and the stronger banks have never been the authorities principal concern. The official language that is used to describe the banks' condition suggest no early change in the

Of course, when it comes to moving markets, changes in interest rates are more impor-tant than their level. The relaxation of policy in 1995 went so far that it cannot be repeated. But neither is it set to be reversed soon. No prime minister will dispute that.

risen because middle class

households have been better-

ing themselves, what are they complaining about? It may be

that they are more insecure because they find themselves moving up and down the income distribution less pre-

dictably than they used to.

They may also be earning

more in part because fear of

job loss is "encouraging" them

to work harder.

COMMODITIES

Cotton gathering in Nashville

Pests and drought devastated cotton yields last year, sending prices to record highs in the spring. So seminars on biotechnologies to fight such blights are expected to attract swarms of participants at this week's 1996 Beltwide Cotton Confer-

"[Biotechnology] will take something close to centre stage this year," O.A. Cleveland, a cotton marketing specialist with Mississippi State University, told the Reuters news agency last week. The five-day conference

opens today in Nashville, duction and price projections hit the market recently.

About 5,500 industry experts. including farmers, ginners, textile manufacturers and scientists, are expected to attend, said the National Cotton Council, which sponsors the event.

Speakers will range from academic experts and entomologists, to an executive with the Monsanto chemical group, whose Bollgard gene, which protects cotton plants from insects, will be available to farmers this year. Other highlights will be pro-

by leading merchant William Dunavant, chairman and chief executive of Dunavant Enterprises, and outlook reports from the private sector and government agencies.

"The conference will certainly want to hear what Mr Dunavant has to say. That will be one of the highlights," Mr Cleveland said. Production and export projections for China in particular

are likely to draw crowds, as

reports of higher yields in

several of its provinces have

And while a new US Farm Bill remains a casualty of the federal government shutdown, the NCC will hold a seminar tomorrow to discuss current legislation. Other events this week

include the publication today of Germany's cocoa grindings figures for the final quarter of 1995. On Wednesday the Inter-national Primary Aluminium Institute will publish stocks data for last November; and the same day sees the resumption of Australian wool sales.

Governments across the industrialised world have spent much of learning to live with middle class disen-

chantment. Many ruling parties have discovered that this electorally pivotal group has been feeling increasingly insecure, discontented and ill-disposed to those who govern.

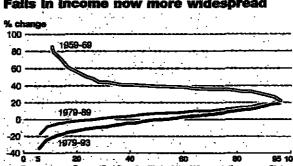
Governments have been forced to pay more attention to the concerns of the middle class in part because a growing proportion of their populations have been choosing to describe themselves as members of it. So it is somewhat ironic that, in countries like the US, many economists have argued that the middle class is shrinking as a by-product of

This rise in inequality common to most industrialised countries in recent years can be denicted in several ways. A typical technique is to imagine a list comprising every household, ranked by income, starting with the richest and ending with the poor-est. In 1979 a US household a tenth of the way down the list had an income 6.2 times larger than that of a household ninetenths down the list; within 10 years this multiple had grown to 7.1. During the same period Britain experienced a similar trend; inequality rose by

more, but from a less unequal

starting point. But measures which look only at the rich and the poor cannot tell us how the rise in inequality has affected the middle class. This issue was addressed in a paper by Richard Burkhauser of Syracuse University, et al, presented to the American Economic Association's annual conference in San Francisco this weekend.* Any definition of the middle class is inevitably arbitrary, but Burkhauser argued for a lower limit of twice the official US poverty level (\$25,000 a

insecurity Falls in income now more widespread



Economics Notebook / Robert Chote

Middle class

year for a family of four in 1989 prices) and an upper limit of about 4.7 times (\$59,000 for

a family of four). So what happened to the middle class between 1979 and 1989, both of which were peak years in the economic cycle? The proportion of US house-holds falling within the study's definition of the middle class fell from 45.1 per cent in 1979 to 41.5 per cent in 1989, confirming that it has indeed

been shrinking. But where have these disappearing middle class households gone? The proportion of households with incomes below twice the poverty level dropped slightly, from 34.3 to 33 per cent. The proportion of households with incomes more than 4.7 times the offi-cial poverty level meanwhile rose sharply, from 20.6 to 25.6

per cent.

The study concluded therefore that "the great increase in income inequality over the decade of the 1980s in the US was not primarily the result of the rich getting richer and the poor getting poorer, but rather the rapid and unequal income gains in the middle of the

income distribution".

In other words, hundreds of thousands of middle class households became upper class ones. This migration took place among households with working heads - whatever their ethnic background and among retired households. The real losers were families of working age reliant on social security benefits. Their inflation adjusted incomes dropped by 15 per cent between 1979 and 1989, while those of the population as a whole rose by 10 per cent.

buted more of the rise in inequality to middle-class households dropping nearer to or below the poverty line. The trends in Britain were much the same. The only sig-nificant difference was that British families reliant on social security benefits did not do as badly in absolute terms as their US counterparts. Their inflation-adjusted

Previous studies have attri-

incomes were flat on average over the decade, while those of the UK population as a whole rose by 23 per cent. This study begs an obvious question: if US inequality has

This discontent may also owe a lot to the latest reces-

sion and the relatively sluggish recovery which has followed it. This is not captured by Burkhauser's deliberately peak-to-peak comparison between 1979 and 1989. Gary Burtless, of the Brookings Institution, calculated, for example, that a quarter of households - the poorest quarter - saw their incomes drop between 1979 and 1989. to more than half when he extended the period of com-

್ರಾಜ್ಯ-

parison to 1993. In addition, older house-holds may be depressed because they are harking back to the "you've never had it so good" era of the 1960s. As the graphic illustrates, the middle classes typically enjoyed income gains of about 40 per cent during that decade, compared to less than 10 per cent in the 1980s. They also had the reassurance that the incomes of less well-off households were rising even faster than

theirs were. strate that comparisons of the levels and distribution of income depend crucially on the time period over which they are studied. This in turn suggests that the longer-term causes of middle class discontent owe more to insecurity in employment and housing markets - and perhaps fears for future provision of social security - than to trends in

Where in the world is the middle class? by Richard Burkhauser, Syracuse University. et al.

The 100 Year Bond

Financing for the Next Century

\$500,000,000

100 Year 7% Debentures

BellSouth

Telecommunications, Inc.

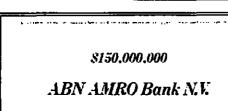
Price 99.73% and Accrued Interes

\$200,000,000

Columbia/HCA Healthcare Corporation

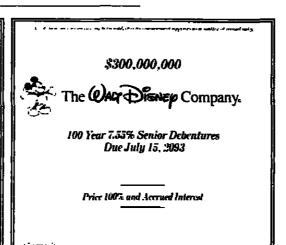
100 Year 7.50% Debentures Due November 15, 2095

Price 100% and Accrued Interes



100 Year 7.125% Subordinated Deposit Notes Due October 15, 2093

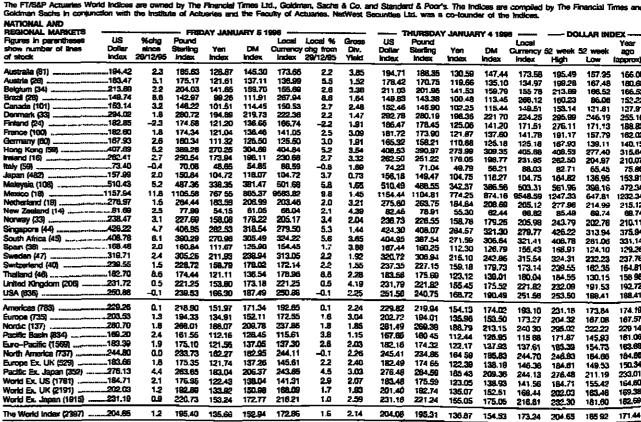
Price 99,178% and Accrued Interest



MORGAN STANLEY & CO.

Issued by Morgan Stanley & Co. Incorporated and appropriately Morgan Stanley & Co. International Limited, regulated by the Securities and Polyces Anthority

FT/S&P ACTUARIES WORLD INDICES



EMERGING MARKETS

HK: gateway to China Taiwan hopes for sunshine after the rain

By Louise Lucas in Hong Kong

Hong Kong may not be an emerging market in everybody's book but it is certainly acting like one. The predicted surge of overseas funds was unleashed in the first week of the new year, propelling the Hang Seng index to a two-year high, keeping pace with its less developed Asian peers.

The classic signs of a bull market are clear to see. On Thursday and Friday of last week daily volumes reached six and eight month highs of HK\$8.7bn and HK\$9.5bn respectively. Since last year there have been a rash of covered warrant issues and big blue chips, including Henderson Land, the property developer. and Citic Pacific, the Hong Kong-listed arm of Beijing's premier investment vehicle, have been tapping the market

For many fund managers Hong Kong, which gained 23 per cent during the course of last year and a further 4.5 per cent in the first week of 1996, is the suitably sanitised and internationalised way to play

In July next year, when sovereignty passes to China, Hong Kong will again become an emerging market by more conventional reckonings: as part of China (albeit with a high degree of autonomy for the first 50 years) its GDP per capita, currently higher than that of Australia, will decline con-John Ross, portfolio strate-

gist for Fidelity Investments in the UK, is one fund manager who uses Hong Kong to access China growth. "We like the Hong Kong market. It's a lower risk way of playing the growth which we foresee in China," he

Some believe last week's rise was no more than the traditional rally up to Chinese new year on February 19. Thereafter, they predict the big flows of money will be absorbed by less developed Asian markets. Others, like Jardine Fleming Securities, are more bullish. Colin Bradbury, the regional

strategist, reckons last year's outperformance may continue for at least the first half of 1996. He bases his optimism on Hong Kong's position at the beginning of the economic cycle (which, on Jardine's reckoning, bottomed out last year) and the fact that China's economic gurus appear to have engineered a soft landing.

China's credit squeeze hit Hong Kong companies which sold less consumer goods and were unable to proceed with infrastructure projects because of the dearth of Beijing awarded guarantees. Optimism for a strong perfor-

mance this year has also been bred by hopes of a lower interest rate environment, which would kick-start the sluggish property and retail sectors. Mr Ross further cites an improved quality of earnings, reasonable value and the fact that many international funds are still underweight. Hong Kong is on a p/e of about 12

Indices rebased 150 ---

1994

times 1996 earnings (against 19 for Asia ex-Japan's next big-gest market, Malaysia) and corporate earnings are forecast to grow some Il per cent this year and 15 per cent next. There is another factor,

95

which stands to be the making or breaking of the market this year: the resumption of sovereignty by China. 1996 is a crucial year in terms of the handwatching closely to determine China's willingness to honour commitments laid out in the Sino-British agreements.

Mr Bradbury sees 1997 as another plus: "This constant nagging worry has depressed value of the Hong Kong market and there's a whole constituency of investors out there waiting to be converted to the view that perhaps 1997 is not a bad thing for Hong Kong." Notwithstanding, hic-cups on the way are likely to trip up share prices with them.

By Laura Tyson in Taipel

Investors hoping the new year would usher in a better performance in the stock market than last year's abysmal showing met severe disappointment. Equities began the year with a precipitous plunge as investors took fright after parliament unexpectedly reinstated a capital gains tax late last week. On Friday the market fell more than 6 per cent although it

recovered slightly on Saturday.

The news is not likely to get much better during the first half of the year. The market will be at the mercy of political and economic woes. The first presidential elections are in March, an event which will dampen investor confidence and could provoke a hostile reaction from China. The economy is mired in a slump, despite solid growth in manufacturing and exports.

"It's going to be a bumpy ride, but it won't be as bad as last year," said Mr John Nelson, head of research at Jardine Fleming Securities Taiwan. "The liquidity situation should pick up and assuming relations between Taiwan and China can be sorted out amicably, the market should

second half of the year."

Taiwan fell 31 per cent in dollar terms last year, one of the worst showings among world stock markets, as sentiment suffered batterings ranging from threatening Chinese military exercises to a spate of financial scandals and runs on credit unions.

Historically the ruling Nationalist party, or Kuomintang (KMT), has been able to employ a variety of levers to share prices at crucial junctures but its ability to exert

effectively is weakening. Nowhere is this reflected more clearly than in parliament. The Nationalists have until now enjoyed majority control of the legislature, allowing the party to push con-troversial legislation through

elections last month the perform reasonably well in the Nationalists effectively lost control. "We can't rely on the KMT to support the market any longer," said Mr Thomas Chien, general manager of Wardley James Capel's Taiwan

parliament. But in legislative

In a taste of what lies ahead. opposition parties seized the opportunity after the new year holidays when many KMT lawmakers were absent to pass a capital gains tax of 14 per cent. "The industry is stunned and amazed by this, and no one knows exactly what it will mean for the market," said Mr Nelson. The last time the gov-

ernment introduced a capital gains tax in the late 1980s share prices tumbled by a quarter in a few weeks.

But Mr Chien cautioned that while the measure will be difficult to rescind at this stage, the finance ministry has sub-stantial leeway as to how and when the tax is implemented.

The ultimate fate of the tax

is far from clear, however, particularly as the Nationalists are keen to avoid jeopardising the party's prospects in the presidential elections. Mr Lee Teng-hui, Taiwan's president, called the passage of the tax "careless" and said it could harm the economy. A group of lawmakers have called for a review of that measure on Tuesday and the review of a proposed cut in the share transaction tax on Thursday. For foreign investors, the

news is not all bad as mone-

tinuing to liberalise regulations restricting investment from outside. The government has announced that individual foreigners and corporates will be permitted to buy shares directly as early as mid-year, up to an annual limit of \$5m and \$10m respectively. Currently only foreign institutions that have obtained approval from the central bank and

securities regulators are per-

mitted to buy listed shares In addition, authorities have pledged to lift a ceiling on investment by any single for-eign institution from \$200m to \$400m. It was also announced recently that curbs on inward and outward remittances of investment capital, disliked by investors, would be loosened significantly. Nevertheless, when it comes to volatility and uncertainty, Taiwan rarely dis-

India poised to overcome depressants

By Mark Nicholson in New Delhi

Last year was no vintage for Indian equities. By December the Bombay 30share Sensex index was a fifth off its 1995 high, scaled in January, and more than third lower than its record peak of 4,643 of September 1994. The market entered 1996 with the Sensex idling at just over 3,000.

It was a year of depressants and scandal. After the primary market binge of 1994, fed by an enthusiastic rush of newly arriving foreign portfolio investment, the market became overhung with scrip and dogged by political uncertainty over the outcome of this year's general election. It suffered from a liquidity squeeze as the government tightened the monetary reins on infla-tion. It also found itself mired in a series of scandals, including a broker interest. One measure of the market's languor

versy and mystery over duplicate and switched shares in Reliance Industries, one of the most heavily traded stocks. Besides the directly dampening effect of these scandals, they also served to

default which closed the BSE for three

days and, at the end of last year, contro

underline the persisting inefficiency

Philip Gawith

trading, settlement and registration sys-tem, one of the chief reasons for a cooling of foreign institutional investor

was the fall in new issue volumes, with just Rs112bn raised in the primary market between April and October 1995, down 40 per cent on the period a year

Will 1996 be any better? Most analysts believe it will, though not immediately. The chief reason being the general elec-

ING Baring Securities Emerging Markets Indices

tion, expected in April or May. In seven

and opacity of the paper-based share trading, settlement and registration syshas risen markedly afterwards regardless of the outcome. And while most pundits expect this year's poll to bring either a weak government or a hung parliament, the banishment of the political uncertainty which hung over the market last year is universally expected to trigger a rally.

Moreover, with the broader market now down 40 per cent on a year ago and trading at about 10 times prospective 1996 earnings overall. Indian equities look increasingly good value.

+4,61

+0.58

CURRENCY MARKETS

Focus on Washington politics

The dollar is the story and the game is being played out in Washington DC. After a promising start to the year, a dollar rally ran out of steam at the end of last week amid heightened uncertainty about the ongoing political wrangling

over the US budget. Most analysts and investors are bullish, with good reason, about the dollar, but it is by no means one way traffic. Traders report active two-way business. and there are certainly some natural dollar sellers, such as Japanese exporters. There

were also reports last week of can only retard any rally. French and German companies being heavy sellers of dollars, while the two largest macrohedge funds were seen on opposite sides of the market. With the release of govern-

ment data in some disarray owing to the partial government shut-down, the budget dispute may take on an even greater importance than it might otherwise have done. At the moment the market is clearly of the view that progress on the budget is good for the dollar, while further delay

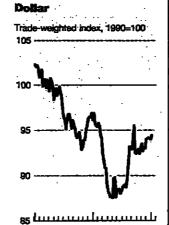
It is possible that the dollar could continue to make ground against the yen, while standing still against the D-Mark. The second half of last year saw sharp dollar rally against the yen, unmatched by any similar

move against the D-Mark. Japan's declining trade surplus and portfolio outflows are both factors which support a stronger dollar. Some observers also believe that the likely election of Mr Ryutaro Hashimoto as the new prime minister will be negative for the ven.

The table below gives the latest available rates of exchange (rounded) against four key currencies on Friday, January 5, 1996. In some cases the rate is nominal. Market rates are the average of buying and selling rates except where they are shown to be otherwise. In some cases market rates have been calculated from those of foreign currencies to which they are tied.

In the summer he was quoted around Y108-110.

The progress of the US bud-get talks will have a big influence on how European currencies performance. A backdrop of slowing economic growth and the perception that the D-Mark is overvalued had led many investors to buy higher yielding currencies like the lira, peseta and Swedish krona. The durability of these currencies' rallies comes into question, though, when dollar weakness buoys the D-Mark.



Source: Bank of England

World (301) .154.36 +6,80 +4.61 +9.51 +6.57 +6.80 Latin America +15.19 Argentina (20) Brazil (21) Chile (12) 201.36 196.81 +15.26 +1.14 ± 0.58 +2.05 80.95 1,128.55 +59.59 Peru(17) +5.57 131.99 Europe Greece (16) 97.48 Portugal (18) 87.09 Europe (55) Asia Korea (23) Malaysia (23) Pakistan (11) -13.87130.93 -3.02 +4.91 -2.22 +12.71 71.37 Phillippines (11) 270.15 +18.26 +22.85

We take pleasure in announcing that the following have been elected Managing Directors

FT GUIDE TO WORLD CURRENCIES

e sto

YEN (X 100) 32.5284 0.9536 1.2766 1871.45 2.2271 25.0036 0.6142 1.4518 2.3645 142.636 0.9536 23.8023 0.8857 0.9313 1365.22 1.8247 18.2400 0.4480 1.0592 1.7249 104.052 0.6967 Aghonisis
Abonisis
Abonisis
Abonisis
Algertis
Anciorra

Angoris
Antiguia
Antiguia
Armitis
Austria
Balanines
Balanines
Balanines
Balanines
Balanines
Belgum
Belgum 29.5018 15.6868 12.0094 211.874 19,0000 10,0900 7,7345 138,455 18 1185 9.8219 7.3757 130.124 62.5471 33.7763 2181.85 2860.82 0.2965 2384.02 0.5950 0.5925 1506.46 55.5900 35.4200 2258.00 3000.00 0.3109 2500.00 0.8240 3.1275 1579.75 45.6278 24.6400 1591.65 2086.96 6.2163 1739.13 0.4341 2.1757 1086.96 101,842 54,8967 3652,58 4658,10u 0,48290 3881,75m 0,9688 4,8582 2452,88 0.6657 0.2623 84.1878 25.0348 1.3652 8000.00 20.5517 1.3913 342.574 0.65762 1.9486 0.6762 1.9486 90.1005 50.1005 342.574 3.8464 1.78479 0.8536 0.3565 115.463 38.4304 1.9180 10958.5 28.172 489.804 0.9538 4.7108 2.6712 0.9278 489.4013 244.661 1,5527 0,5854 187,508 62,5738 3,1230 1,7856,10 1,5527 54,5967 7,674 1,5093 2,2095 117,629 164,630 B,8597 388,386 E Carlo S
(French Fi)
(F Carlo S)
(Eafler List
(Foots)
(Fryel)
(CFA Fi)
(Ruper)
(Leone)
(Leone)
(Cotan)
(Foots)
(Foots)
(Postal)
(Postal)
(Postal)
(Addits
)
(Postal)
(Postal) 66.6738 182.824 7.1009 99.9008 86.9513 2.0655 3.3983 1223.84 0.4648 2183.30 488.804 11.5405 78.1208 0.7898 489.804 489.804 387.403 7.9944 489.804 182.864 489.804 182.864 3571.21 764.630 2.1077 187.868 12889 12889 764.630 764.630 (60.785 12.9191 1550.37 576.324 764.850 297.746 1.5527 0.7663 41.3267 764.830 246.435 4.1523 4.15 1428.48 0.8388 2476.56 6.6345 1.5527 0.5520 1.7988 8.2108 45.6714 920,000 0,5401 1596,00 3,8288 1 0,3535 1,1591 4,0000 29,2430 877,319 0.5151 1521,00 3,4504 0,9536 0,3390 1,1053 3,8144 26,1724 640.000 0.3757 1109.57 2.5244 0.6957 0.2478 0.8063 2.7828 20.5617 83,6129 128,098 652,134 5,8356 17,998 65,0562 42,4182 39,1833 764,830 2,0653 1,4732 91997,6 1,552 1,55 12,4049 61,0218 6358,31 222,252 3,8625 18,2753 764,630 0,5460 7,8463 7,8 7,9692 99,0004 4095,00 149,575 15,2450 2,5520 11,7700 492,450 134,790 18,2300 7,5700 4,9245 490,100 2,7000 8,580 2,7000 8,500,00 8.6577 27.3394 2848.052 104.052 104.052 10.6748 1.7753 342.574 0.3456 3.4257 93.7670 12.7513 6.2891 3.4257 3.4257 3.4257 3.4257 3.4257 3.4257 3.4257 3.4257 3.4257 3.4257 3.4256 3.4256 3.4257 3.4256

Do you have an outstanding claim against Coopers & Lybrand?

Do you have a Paramount claim against Cork Gully? Would you be prepared to appear in a

If so please send brief details initially to Box B4181, Financial Times, One Southwark Bridge, London SE1 9HL All replies will be treated with the utmost confidence

TV documentary about Paramount claims?

Notice of Interest Estes

Banco Central del Uruguay New Money Notes Due 2006 Debt Conversion Notes Due 2007

den Nobes 6-70a Pat. P.A. USED \$32.65 Per DED \$1,00 ney Notes 6-412 Pol. P.A.

YEN 30.000.000.000 FLOATING **RATE NOTES DUE JULY 1997** Notice is hereby given that for the Interest period from 8th January 1996 to 8th July 1996, the rate of interest payable on the 8th July 1996 will be Yen 99,454 per ea Yen 10,000,000 Note. Agent Bank:

The Mitsui Trust and Banking Co.

Debt Product Areas Investment Banking Gerard Pasciucco John C. Adams Riccardo Pavoncelli Piers L.T. de Montfort John E. Westerfield Gordon E. Dyal Bernard Gault Equity Alan K. Jones E. Michael Fung Derek G. Kirkland Scott J. Lenowitz Mahmoud A. Mamdani Mark L. O'Friel Charles W. Murphy Mukesh D. Patel Maria del Carmen Richter Scott M. Sipprelle Simon C.T. Robey Hartley R. Rogers M. Ann Short Leslie Embs Bradford Ray L. Spitzley Owen D. Thomas Benedikt von Schroder Michael C. Bodson Michael R. Armitoge Foreign Exchange Peter J. Murray Angela H. Dean Philip V. Neuccomb Eric I. Hemel Stephen S. Roach MS4M Takatoshi Yamamoto Marianne Laing Hay Robert A. Sargent Taxables Vinod R. Sethi Ignacio J. Fanlo Kevin L. Rodman Operations Tetsuo Takasugi David R. Nicol Thomas M. Thees **MORGAN STANLEY** oral by the New York Stock Exchange, Inc. 1585 Broadway, New York, New York 10020 MITSUI FUDOSAN CO., LTD

				<u> </u>	
TEL: (301) 3 FAX: (801) 3	1311456 - 3252241 -		REL TEL	ENS STOCK EXCHANGE JTERS PAGES: ATGG-H-I ÉRATE PAGES: 17890-1-2	
ATHENS STOCK	EXCHA	NGE Jan 2nd - Jan	5th 1996	GRE	ECE
ASE INDEX "Chg (Prev. Wh) Yearly High Yearly Low WEEKLY VOLUME (USD m)		P/E 95e (after tax) P/E 94 (after tax) EPS GROWTH (%) 95e P/CE 95e/94 P/SV 95e/94	12.6 16.2 22.5 7.8/10.0 2.8/3.3	GDP (USD bn) 95e Per Capha Income (USD) Inflation Page (% Y.O.Y, December 95) 12 Month T-bill (%, end of December Issue) 1-Month Athliber (%) GRD-USS	108.73 10,804 8.1(14.23 14.43 287.20
%Chg (Prev. Wk)	109.82	Drv. Yield (%) 95a/94	5.0 / 4.4	A.S.E. Market Capitalisation - 5/1/96 (USD bn)	16.78

IPOs & Pighte lessues (USD m Jan'95-29 Dec '95'

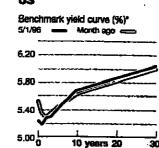
WORLD BOND MARKETS: This Week

Having broken through the 6 per cent barrier the previous week, the yield on the 30-year Treasury moved back above that psychologically important level as budget talks in

NEW YORK

Washington descended into souabbling. A low point in the wrangling was reached on Thursday when one Republican raised the possibility of impeaching Mr Robert Rubin, the Treasury Secretary. That in turn raised the spectre again of a government default, sending a shiver through the bond market. By the end of the week, the long bond was

yielding 6.042 per cent. While the threat of impeachment were seen as a political ploy, the rhetoric suggested that an agreement on budget defictt reductions was further off than the market had hoped. And while many fixed-income specialists still believe that a slowing interest rates and higher bond



ds are market co Memil Lynch

Maggie Urry

less certain then they were. The lack of reliable economic statistics during the government shutdown has added to uncertainty. Even with government employees returning to work today, it could be some time before the data releases catch up. That is making investors less

optimistic about the chances of another cut in interest rates at the Federal Reserve's next policy-making meeting at the end of this month.

LONDON Antonia Sharpe

After the political jitters last week following the defection of Tory MP Miss Emma Nicholson, gilts are set to trade modestly higher this week.

A firmer tone should allow the spread over Germany to narrow to below 160 basis points after reaching 166 points last week, as the market discounts the latest political risk. The spread stood at 163 basis points on Friday, a rise of 10 points on the week. Dealers will be looking for

figures to support anecdotal evidence of strong retail sales at Christmas. Mr Don Smith of HSBC Markets said Tuesday's release of British Retail Consortium retail sales data for December, and the CBI's distributive trades survey for December, due on Friday. should provide clues about the strength of consumer

spending.
The other main economic indicators will be industrial production and manufacturing production data for November, due on Thursday. The market

FRANKFURT

The German bond market was ruffled on Friday by the resignation of Russian foreign minister Mr Andrei Kozyrev and continuing doubts about the US budget impasse, but the overall mood remained

The Bund future just failed to break through 100 per cent. ending the day above the 99.40 level. But dealers expect the advance to be resumed. The new DM15bn

3.50

government loan with a 6 per cent coupon was well received and thought likely to trade this week between 100 and 100.5 per

The market will be closely watching Tuesday's unemployment statistics expected to show a further increase in the numbers out of work - and the provisional gross domestic product data for 1995, likely to be subdued. Last week's industrial production figures for November showed a flat trend overall, with a dip in manufacturing.

Andrew Fisher

10 yrs 20

This week is also expected to

fixed after last month's

see the start of a gradual

a liquidity shortage.

said IBJ Research.

The yen's weakness and pushed the long bond yield Benchmark vield curve (%)* 5/1/96 - Month ago = last week, are expected to continue to weigh on the government bond market.

higher corporate profit growth, which would provide support for the economy, in turn prompting buying of stocks. Bond prices may see continued selling pressure due to the yen's easing this week.

see a return to variable-rate expected to reveal a further securities repurchase (repo) decline in Japan's trade tenders by the Bundesbank. It surprised markets on further selling of the yen. Friday with a quick five-day repo at 3.75 per cent - the level interest rate cuts - to prevent fiscal year-end book-closing.

This Wednesday's repo could scheduled in January to conduct an extra 10-year decline in rates, bringing them down to 3.5 per cent by March, government bond auction which are usually held only

Emiko Terazono TOKYO

stronger stock prices, which above the 3 per cent level for the first time in four months

The yen's weakening implies

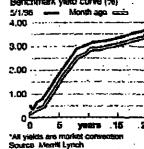
The current account balance for November, to be released at the start of the week, is surplus, and is likely to prompt Investors are also concerned

about profit-taking by domestic institutions ahead of the March Moreover, the government is

Benchmark yield curve (%)*

remains

MANAF. S



once a month, causing worries about over-supply. Political developments, with the premiership being handed to Mr Ryutaro Hashimoto, the leader of the Liberal Democratic Party, are expected

to be minimal, with monetary

and financial policies unlikely

to change drastically. However, caution over increased supply due to a rise in public spending ahead of a general election could place downward pressure on bonds

Syndicated loans

prices during 1996, they are

Banks in search of higher yielding deals

With bank loan interest rates at their lowest for many years, and not seen rising in the short term, dealers in the international syndicated loans market are gearing up for another busy year.

However, the refinancing boom that provided some 40 per cent of last year's record volumes is likely to abate this year, and in their search for yield many banks are expected to dedicate a larger portion of their loan portfolios to higher vielding transactions, including structured deals such as those backing leveraged or management buy-outs and acquisitions, and emerging market loans.

Banks have more capital than they know what to do with - there's a lot more demand for assets than there is supply," one banker said. Those borrowers who needed to access the market have done so in the last 12 months and have locked away their funds for the next five years. Since rates aren't going to fall much further, they're not likely to seek refinancing any time

SOOR.

He expected competition among lenders to keep loan rates down, "unless some extraneous shock forces them

To boost the return on their large pools of capital, many banks may be tempted to move out along the credit spectrum to pick up what yields are left.

"Our biggest job this year will be to get the risk/reward balance right," said a dealer. One sign of the pressure on loan rates came last week with the latest survey of the UK corporate loan market by Standard & Poor's/Loan Pricing Corporation. It showed that interest and fee levels fell in

December, after firming

slightly in November. During the autumn, a flood of acquisition-related financing worth some £10bn had kept loan margins underginned; in December, however, there was less demand for buy-out loans, allowing rates to slip, the

report says. Also, expectations that Japanese banks would stage a wholesale withdrawal from the market due to the rise in their funding rates did not come to demonstrating their firm commitment to the market in

According to S&P/LPC, borrowers with a double-A profile were charged an average of 15.75 basis points over Libor in December, with commitment fees of 7.25 basis points; that compares with 16.75 and 7.5 basis points, respectively, in

November.

Spreads on loans to companies rated single-A fell to 21 basis points from 22.25 points in November, and fees slipped to 9.16 basis points from 9.5 points. Triple-B rated companies paid an average spread of 24.15 basis points over Libor against 25 points in November, and fees fell to an average 11.15 basis points, from 12.19 points in November.

Meanwhile, the UK market is off to a busy start, with deals underwritten before the holidays going into general syndication and new mandates being awarded.

BZW, the investment banking arm of Barclays Bank, last week was awarded the mandate to arrange a loan facility

presents

22 and 23 February 1996

London Marriott Hotel

Grosvenor Square, London W1

Countries to be covered include:

China * Indonesia * Malaysia

Pakistan * the Philippines * Thailand

Speakers from:

ANZ International Merchant Banking

Deutsche Morgan Grenfell (Thailand) * Flemings * Incheape International Pacific Securities * Lovell White Durrant

Manchester Business School * Merrill Lynch Asia Pacific Price Waterhouse * SyCip Salazar Hernandez & Gatmaitan

WMS Group

To book a place or receive further details contact: Caroline Capon

Acquisitions Monthly Conferences Tudor House, 78 Mount Ephraim

Tunbridge Wells, Kent TN4 8BS, UK

Tel: 01892 537474 Fax: 01892 531343

fruition, with most of them for Railtrack, the company which has taken over British Rail's track, stations and signalling and is to be floated on

Benchmark yleld curve (%)*

"All yields are market convention

expects rises of 0.5 per cent

and 0.1 per cent, respectively.

Analysts also expect some

steepening in the yield curve.

December as the market priced

gilts with a maturity of 2000 to

Mr Andrew Roberts of UBS

noted that the spread between

five-year gilts and bunds was

now at a four-year high of 220

basis points.

The curve flattened in late

England planned to auction

2002 in January and March.

in news that the Bank of

20

5/1/96 --- Month ago --

7.60

7.20

6.60

6.00 L

the stock market in May. Details are not yet available, but market talk is of a facility of £1bn or more, to be put in place before the flotation. Elsewhere, BZW and

N.M. Rothschild are arranging a £300m loan for BPB Industries, the gypsum and plaster-board manufacturer. The facility was said to have a three-tiered pricing structure linked to utilisation, with the highest interest rate at 20 basis points over Libor.

British Land was reported to

have mandated NatWest Mar-

kets and Royal Bank of Scotland to arrange a £250m loan, which is expected to go into general syndication this week. Last week saw the signing of a £100m loan in four, five and six-year tranches to the West Bromwich Building Society via

Another building society loan, a £150m five-year facility for EBS of the Republic of Ireland, arranged by BZW and

BZW and Bayerische Landes-

Westdeutsche Landesbank, has attracted heavy demand and is expected to be increased to

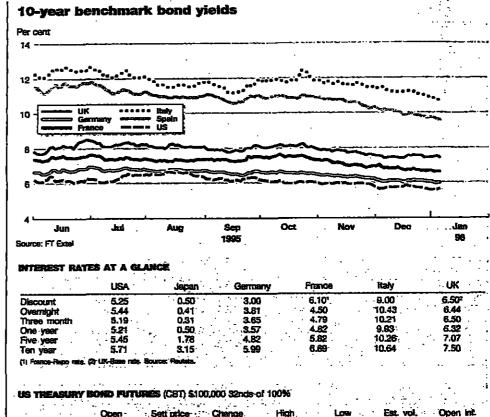
Among international loans, a \$100m three-year facility for Telefónica de Argentina was launched last week by arrangers Chase Manhattan and Dresdner Bank. The loan pays 250 basis points over Libor in the first year, 287.5 points over in the second and 350 points

over in the third. CTC, the Chilean telecoms company, is expected to launch a \$150m five-year bullet loan today arranged by Citibank.

Meanwhile, the First National Bank of South Africa has mandated Fuji Bank to arrange the refinancing of the \$200m one-year loan it obtained last year.

It will be paying a margin of 37.5 basis points over Libor, substantially lower than the 55 point spread on the expiring loan "This reflects the overall decline in spreads, but also South Africa's growing credihility as a borrower."

Conner Middelmann



Emerging market debt

Brady bonds buoyed by US funds

119-11

120-08

119-28

119-12

-0-12

-D-12

-0-12

121-00

120-16

119-17

Acquisitions Supported by flows of capital from US funds and the positive tone of the US Treasury mar-Monthly ket, the Brady bond market has begun the new year A Major new Conference on

strongly, building on the bull run begun late last year. Since November 14, prices have risen by an average of 14 per cent, according to an index

of secondary market debt compiled by West Merchant Bank. The market has been buoyed by the strength of interest shown by US funds. Investors have been encouraged by signs that inflation and budget deficits are falling in Latin American countries, which account for about 80 per cent of the

ance of \$145bn. Economic stability has been slowly returning to Mexico and Argentina, the two countries which suffered most when capital flooded out of the region in the first quarter of 1995.

outstanding Brady Bond issu-

Argentina, in particular, had made impressive progress in reducing its fiscal deficit - this will amount to less than 1 per cent of gross domestic product in 1995 - and its bonds have led the rally, the prices of its Bradys rising by 22.2 per cent since November 14. Venezuela, which has

announced plans to seek an agreement with the International Monetary Fund, has also done well, showing a 19.9 per

cent rise since the same date. Mexican bonds have increased in price by 15.9 per cent, while Brazil has shown an 11.9 per cent increase over the period.

Mr Marc Wenhammer, director of fixed income at Foreign and Colonial Emerging Markets, said fundamentals have withstood a hard test and have emerged reinforced following the difficulties of last year.

"I was worried that these countries would be tempted back to their old ways. They have not been." he said. Brady bonds, which are issued by governments in exchange for distressed com-mercial debt, have also been

helped by the strength of the US Treasury market. Zero-coupon Treasuries serve as collateral for the bonds, so a

rise in their prices supports

Weakness in the Treasury market towards the end of last week - following renewed wrangles surrounding the US budget deficit - caused a correction in the Brady market, with higher yielding bonds, such as those issued by Peru and Nigeria, the worst hit.

Analysts said Treasury mar-ket volatility would continue to undermine stability but would not reverse the upward trend, largely because the spreads of Bradys over Treasuries are still relatively wide.

"Persistent high spreads should provide a substantial cushion to changes in the technical factors," noted Mr Peter West, economic adviser to West Merchant Bank.

Stripped spreads - derived when the value of the collateral is subtracted from actual vields - have still to fall to levels reached before the Mexican devaluation in December 1994 triggered a sell-off in the market. They remain some-what wider than levels reached

when Brady bonds peaked in early 1994. The stripped yield spread of Argentine floating-rate bonds over US Treasuries amounted to 811 basis points on Friday,

compared with 798 points in mid-December 1994 and 313 points at the beginning of 1994. Brazilian "C" bond stripped yield spreads amounted to 877

basis points, against 765 points in mid-December 1994 and 467 points in February 1994. Mexican par bond stripped yield spreads were 1,000 basis

points last week, up from 449 points in mid-December 1994 and a low earlier that year of 277 basis points. Ms Ingrid Iversen, senior

economist at Deutsche Morgan Grenfell, says that by histori-cal standards "current spreads are not particularly low. It has taken a year for market percep tions to change".

number of other reasons to be positive about Bradys.

359.154

2.370

57

119-17

119-04

118-23

371.945

16.549

5,607

High real interest rates have made local currency bonds issued by Brazil and Russia particularly attractive for

Ms Iversen of Deutsche Morgan Grenfell is particularly bullish on Brazil. She argues that as local interest rates fall in line with forecast reductions in national inflation, the yields offered by Brady bonds will become more attractive to local investors, prompting out-per-

formance in prices. At the same time, of the Latin American issuers of Bradys, only Ecuador faces elections this year, which should ensure a quieter time on the political

Finally, emerging bond markets have become both more diversified and more liquid over the last year, encouraging investors to retain longer-term

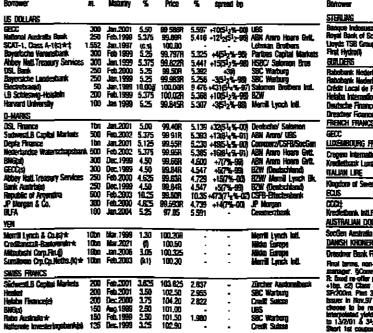
F&C's Mr Wenhammer says there has been a clear "delinkage" between Latin American and non-Latin American Bradys, while other markets such as South African rand-de-

nominated bonds - are also

becoming more interesting to

Richard Lapper

NEW INTERNATIONAL BOND ISSUES



Rabobank Nederland Rabobank Nederland Crédit Local de France Helaba International Finan Deutsche Finance Neths. | Feb. 2001 | 5.25 | 100.028 | 5.24 | 110795-103 | Temporaria movement | Feb. 2001 | 5.25 | 100.028 | 5.24 | 110795-103 | Temporaria movement | Feb. 2003 | 5.75 | 99.948 | 5.761 | 11779-103 | ABH Anno Heere Brd. Feb. 2003 | 5.75 | 99.448 | 5.707 | 1974-104 | Rabobach Mederland Feb. 2002 | 5.25 | 99.758 | 5.707 | 1774-103 | Describe Morgan Gred Feb. 2002 | 5.25 | 99.758 | 5.500 | 15684-1-122 | NG Berlega Feb.2001 16.00 101.775 9.537 <u>vistralian D</u>ollars 100 Feb.2003 7.75 101.27 7.432 400 Feb 2003 6.675 102.114 6.490



EQUITY MARKETS: This Week

Source: FT Extel

Uncertainty remains over budget deal

NEW YORK

Trading on the US stock market is likely to be choppy this week until investors are confident there is some resolution in sight to the budget stalemate that has kept government offices partially closed.

Until the end of last year the market moved higher, even as negotiations in Washington faltered. Late last week, however, shares suffered a case of the iltters as hopes dimmed that President Bill Clinton and Republican leaders could reach an agreement.

Investors were reassured late on Friday after Congress passed a stop-gap measure to re-open the government, but a deal to balance the budget by 2002 remained far from certain.

Also uncertain was whether investors would get any data with which to gauge the economy. Even if government employees go back to work today, it will take several days to calculate the statistics that have not been relea

OTHER MARKETS

Thyssen Stahl begins the steel

1994-95 group figures last year.

UBS is forecasting a pre-tax

will be even more interesting

is the outlook Thyssen gives

on steel prices, which have

continued to slide in Europe

but have been firming in the

US recently.
In the small and mid-cap

expected to continue, UBS

continue the recovery that

developed during the first

under performance in the

small companies still offer

following their strong

attractive investment

to variable repo rates.

2,500 for the year-end,

the end of last week.

compared with about 2.335 at

opportunities

expects share prices there to

week of the year, saying that

second half of 1995, selective

sector, stock picking is

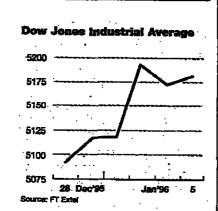
Wednesday. Following the

release of its preliminary

FRANKFURT

reporting season on

profit of DM500m.



Lisa Bransten

Figures on consumer and producer prices are due late this week, but it was not clear when they would be produced. Investors may turn to the inflation index produced by the Center for International Business Cycle Research. Salomon Brothers believes the monthly index will show its 10th consecutive fall, supporting "market expectations that inflation pressures remain at bay". State figures on new claims for unemployment benefits may compensate for the December

employment report that should have

been released last Friday

Waiting for clues on next cut in rates

LONDON

Both the FT-SE 100 index and the FT-SE-A All-Share managed to record all-time highs last week, as stock markets round the world started the year in buoyant mood.

Hopes of interest rate cuts in 1996 helped the UK and the rest of Europe, but Wall Street was an erratic influence as sentiment fluctuated wildly about the prospects for resolving the US Budget dispute.

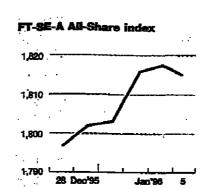
and the Congressional Republicans will continue to be a significant factor this The most important economic numbers are likely to be November's

The talks between President Clinton

production figures, due to be published on Thursday. Weak numbers will reinforce expectations that interest rates will be reduced further this year.

After a very quiet period for

manufacturing output and industrial



Philip Coggan

corporate news last week, a few leading companies will report this week.

notably Lonrho and Dixons. The latter's statements will be monitored very closely for indications about the strength of the vital Christmas season for retailers. Further evidence will be provided by the Confederation of British Industry's

distributive trades survey on Friday. Traders will be hoping that bid activity, which helped power the stock market in 1995, will resume after the Christmas break. There were plenty of rumours but no actual deals last week.

targeted stocks.

in 1997.

warrants is also set to lift the

are forecast to grow by 11 per

cent this year and 15 per cent

Great Eagle Holdings, the

property company, announces its finals on Wednesday, but

the corporate earnings season does not start in earnest until

banking giant HSBC Holdings unveils full-year figures.

late February when global

Overall, corporate earnings

International offerings

Spain's Repsol poised to open busy first quarter

Surging stock markets around tancy, estimates that the value the world in the opening days of 1996 have provided an ideal backdrop for what is set to be a busy first quarter for international equity offerings.

The first of 1996 is expected to be the Spanish government's sale of a fourth tranche of shares in Repsol, the oil and gas company.

Goldman Sachs and Banco Bilbao Vizcaya, which arranged the previous offerings, are believed to be in charge of this deal.

In what is widely expected to be the last public offering in the company, the government is likely to sell about 11 per cent of Repsol's share capital which would leave it with a 10 per cent holding. At current market values, the government's 21 per cent stake is worth iust over \$2bn.

The government's decision to press ahead with the sale in the run-up to the general elec-tion on March 3 has angered the opposition party, the centre-right Popular Party.

However, bankers do not expect this to derail the offering, which is scheduled to get under way in the middle of this month, with pricing at the beginning of February.

Since about half of the \$1bn offering is believed to have been reserved for domestic retail investors, the amount on offer to international investors should be relatively modest.

Given the selectivity shown last year by international investors, in particular US institutions, this is probably a wise move by the government, especially since Repsol is already widely held abroad.

The bull run in the US stock market last year resulted in a dramatic drop in new investments in foreign equities by US institutions.

According to the Investment Company Institute, the US industry association for mutual funds, the flow into international equities by US mutual funds was \$5.2bn in the first 11 months of 1995, compared with \$27.2bn in all of 1994 and \$26.3bn in 1993.

US pension funds showed a similar pattern. Intersec, the US-based pension fund consul-

of new regional mandates for Europe awarded by US pension plan sponsors dropped to just \$200m in 1995, from \$1,7bn in 1994, while mandates for the Pacific region are estimated to have dropped to \$1.2bn last year from \$2.7bn the year

Although the lower numbers also reflect a move by US pension plan sponsors towards awarding global as opposed to regional mandates, the strong US stock markets clearly had

In view of the high valuations in their domestic markets, the two largest pools of international investors, in the US and the UK, are expected to look more favourably on foreign markets this year. This should allow more equity offerings from Latin America and Asia to come to market.

The need for higher returns is particularly pressing for US pension funds, many of which have to meet actuarial rates of 9 to 10 per cent. With US stock markets at record highs and Treasuries yielding around 6 per cent, such returns will be hard to find at home.

Other privatisations sched-uled for the first quarter include the Italian government's sale of its holding in Ina. the insurer. However, it seems likely that the privatisation of Enel, the electricity company, slated for the first quarter, will be pushed back.

The Italian government indicated last year it was committed to selling its 34 per cent stake in Ina by the end of January, through a placing of gov-ernment bonds convertible into Ina shares. It is rare for this structure to be used in European privatisations, and bankers will be watching the offering closely.

Given the tendency among continental European retail investors to place their savings in bonds rather than equities the fixed-income element of a convertible bond should have more appeal than a pure equity offering.

If demand for the Ina bonds is strong, bankers say the French government could also experiment with a convertible bond structure. The government needs to find ways of revitalising its privatisation programme following last year's difficult disposals of shares in Usinor Sacilor, the steel company, and Pechiney, the aluminium company.

The other privatisation scheduled for the first quarter is the Norwegian government's disposal of its holding in Union Bank of Norway, the country's largest savings bank. Norway

stands to raise about \$250m. The first-quarter calendar for crowded. Preparations for the £2bn flotation of Hutchison Telecom, operator of the UK's Orange mobile phone network, are at an advanced stage. Goldman Sachs and Kleinwort Benson, the banks arranging the offering, have decided on the syndicate and should announce the results this

In the same sector. UBS is arranging the flotation of People's Phone, a retail distributor and service provider of mobile phones. The offering, which should capitalise the company at about £280m, is expected

next month. Bankers also believe the flotation of Scania, the Swedish trucks group and a flagship company in the Wallenberg family industrial empire, could emerge early this year. A stake of up to 75 per cent is to be floated on the stock market by Investor, the Wallenberg holding company.

Although US and UK investors are expected to diversify their equity holdings away from domestic markets this year, the big question facing the vendors of stock and their advisers is whether they will continue to favour corporate offerings over privatisations, as they did last year.

In 1995, international investors made it clear that they would not pay up for privatisation issues. If governments heed this message and price their issues cheaply, they could find themselves basking in the same glow of success as the vendors of stock in Gucci and Adidas did last year.

Antonia Sharpe

MILAN

Political uncertainty has returned to haunt the equity market and this week's parliamentary debate, to map Italy's way ahead, is likely to keep share prices under pressure. The debate opens on Tuesday evening and is likely However, the bank said what to continue throughout

Wednesday and Thursday. The market's favoured outcome would be agreement for another government, led by the incumbent prime minister Mr Lamberto Dini, who has headed Italy's so-called technocrat government for the

last 11 months. The worst scenario would be the failure of Italy's disparate political blocs to reach agreement, bringing snan elections in which no one grouping gained a strong

The likely outcome is

thought to be somewhere in

between, with Mr Dini's After December's cuts in key reappointment for a minimum of six months with a mandate interest rates, the Bundeshank to pursue criteria for Italy to is seen to have plenty of scope join the European Economic for further easing on its return and Monetary Union and return the lira to the exchange This augers well for equities and the bank's Dax targets for rate mechanism. This would enable his administration to 1996 stand at 2,400 for June and see through Italy's six-month presidency of the European Union which began last week.

JOHANNESBURG

Gold Fields of South Africa, the most troubled of the country's ailing gold mine groups, kicks off the gold quarterlies reporting season tomorrow in the wake of last week's surge in bullion prices, writes Mark Ashurst.

If sustained, higher prices would bring some respite to an industry desperately in need of stronger balance sheets to finance capital investment at its mature mines.

Overall, results will not differ much from the third quarter, with Freegold carrying the cost of 3,500 iob losses and Gold Fields reeling from a disastrous 1995.

Only the speedy settlement of a recent strike at Gold Field's Kloof mine, a surprise given its labour relations record, and a possible deal allowing its reserves to be mined from Gencor's new Beatrix shaft, give any cause for optimism. Anglo American

Corporation, the world's largest gold producer, should show improved results from its gold divisions as some innovative agreements with unions bear fruit. Likewise, Gengold's disposal

of its marginal mines, and the

possibility of early returns on

investment at its Kinross mine, will merit close scrutiny as parent company Gencor moves to reposition itself as a world

class mining house. Mr David Hall, gold analyst at Barings, predicted a better year in 1996. "Even declining industries go through periods when productivity picks up." he said.

HONG KONG

Brokers expect the Hong Kong

market to continue climbing in the run-up to the Chinese new year, which begins on February 19, although a degree of consolidation is likely following the 4.5 per cent gain by the Hang Seng index last week, writes Louise Lucas. With most analysts believing

interest rates will continue to move lower this year after the 0.5 per cent reduction in prime lending rates set by the colony's main banks on December 22, property and finance counters - the most interest-rate sensitive - are expected to shine. Conglomerates are also being tipped for a good run,

especially laggards such as Wharf Holdings, which derives the bulk of its earnings from property, and the trend for issuing third party covered

TOKYO

Investors will try to digest developments on the political front following Mr Tomiichi Murayama's sudden decision to resign from his premiership last week. writes Emiko

While a Liberal Democratic leader has positive implications for asset prices, some analysts are cautious of a split between the tripartite ruling coalition, due to Mr Hashimoto's conservative political views. "Political volatility cannot be

good at a time when the finance ministry is also feeling vulnerable after the resignation of Mr Kyosuke Shinozawa, former vice-minister of finance," said Nikko Securities. Compiled by Michael Morgan

> This notice is issued in compliance with the requirements of The London Stock Exchange abscribe for or purchase any securities. Application has been made for the whole of the nary share capital of BDA Holdings Fiz (to be reasuned High Properties pile) (the oppury), both convently in issue and to be issued, to be admissed to the Official List. It spected that such admission will become effective and that dealings in such orthinary

ce on 12 January I BDA Holdings Pic Acquisition of Edge Properties pic

of 50p cach at 85p per share Placing and Open Offer of 5,882,500 New Ordinary Shares of 50p each at 85p per Change of name to

FT CITYLINE

Sector reports by Fax

Banks and Insurances

0891 437 151

The latest share price

reports by dialling the above number from the

handset or keypad on

your fax machine.

ALTUS FINANCE S.A. JPY 20,000,000,000. FIXED/FLOATING RATE NOTES DUE1999

pon N°6 has been fixed at 0.84688 % for the period starting on 05.01.1996 until 08.04.1996, inclusive (representing a period of 95 days).

09.04.1996 at the price of JPY 223,482.-The Principal Paying Agent

CREDIT LYONNAIS LUXEMBOURG S.A.

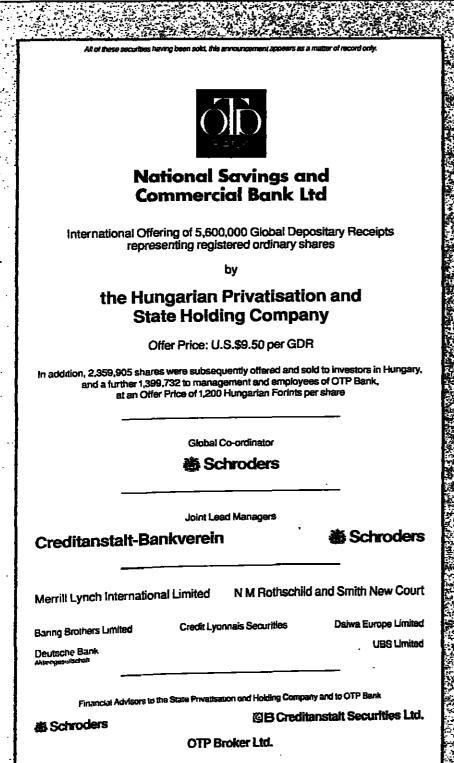
For details of Cayling Inte

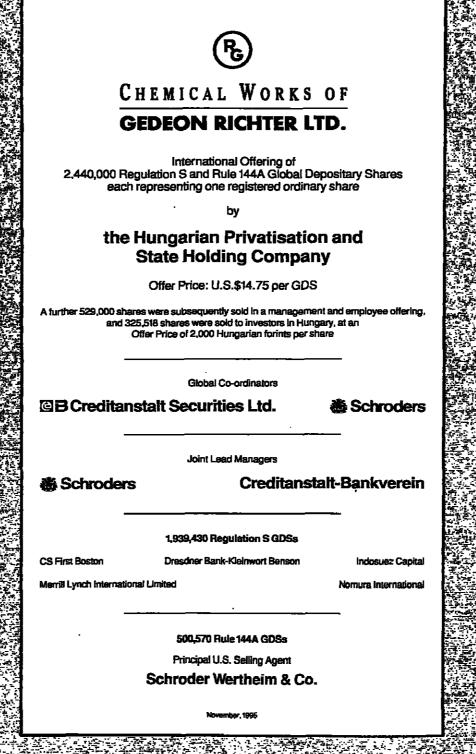
KNIGHT-RIDDER'S FUTURES MARKET DATAKIT FOR ONLY \$695

Ceta and softwire for just \$605 plus postige and packing. Her Veid, 79 Post Street, Lámion SCHY 1874, England Teb -44 (81) 71 Bay THE TAX FREE WAY TO PLAY THE MARKETS'

FUTURES PAGER

 CURRENCES → PLTZERFS → INDLÉES ■ MARKET NEWS & UPDATES 24 HRS & DAY





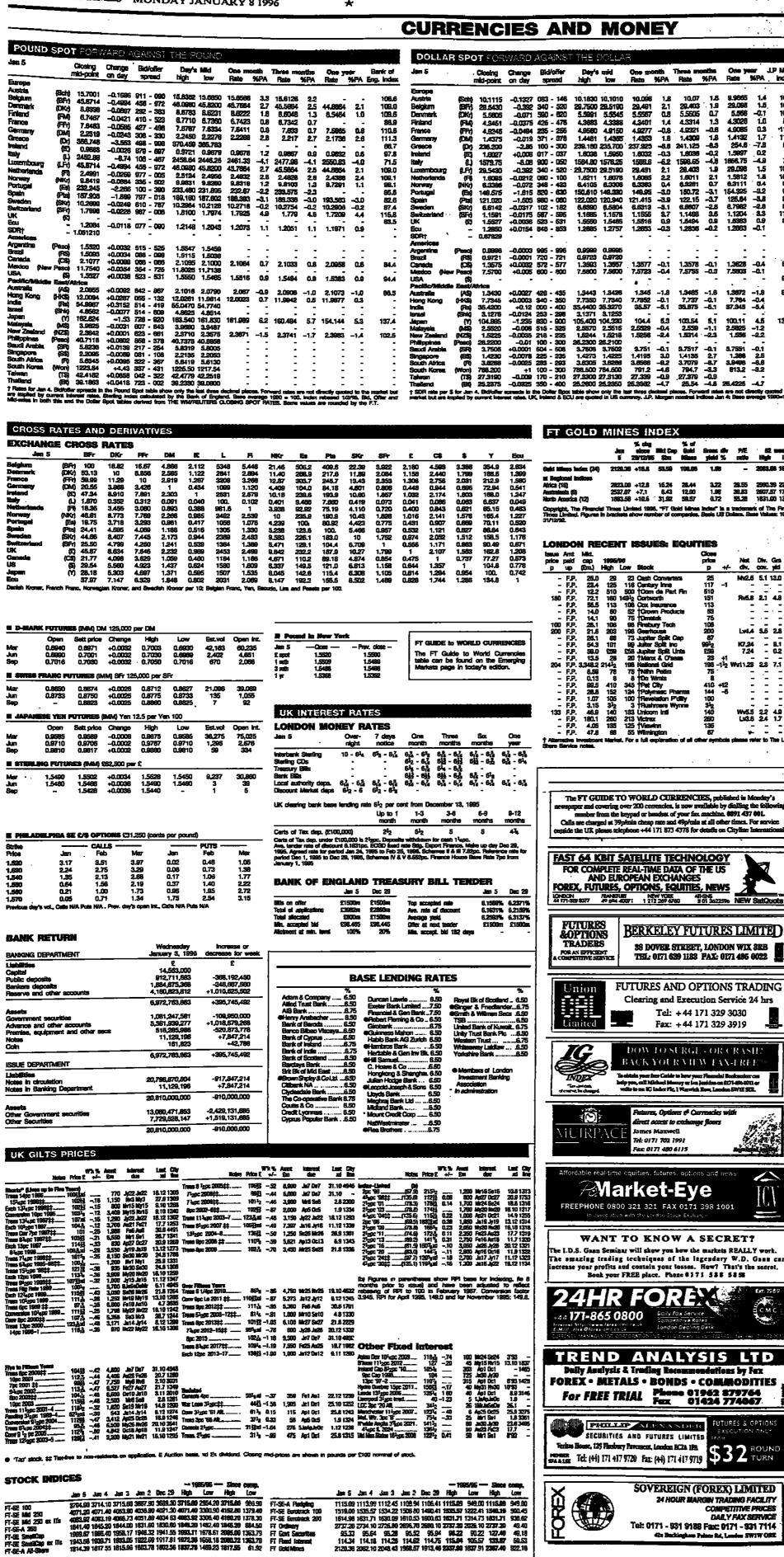
28	*	FINANCIAL TIMES MONDAY JANUARY 8 1996
	WORLD STOCK MARKETS	
BALLY 950 -3 253 250 21 Corrupt 1555 -48 1713 1222 18 BLUE 950 -3 719 460 -2 CORRUPT 1555 -48 1713 1222 18 BLUE 950 -3 719 460 -2 CORRUPT 1555 -48 1713 1222 18 BLUE 950 -3 719 460 -2 CORRUPT 1577 -19 637 460 17 718 - CORRUPT 1577 -19 67 17 17 17 17 17 17 17 17 17 17 17 17 17	Rockwell supplies Virtually every European Car manufacturer with automotive components and systems A Rockwell	The content of the
Schepal 240 -2 274 166 17 - Calles 5 5 5 25 16 5 5 5 16 5 5 5 16 5 5 5 16 5 5 5 16 5 5 5 16 5 5 5 16 5 5 5 16 5 5 5 16 5 5 5 16 5 5 5 5	ACCOUNTS 17 Sto - 10 Sto 17 Sto - 10	200 - 200 687 - 200 1130 - 301160 5.85 07 - 27.3018 Bacter 511, + + 4.84 114 118 1130 - 301160 5.85 07 - 27.3018 Bacter 511, + + 4.84 118 118 118 119 119 119 119 119 119 119
Athers SEQ1*1.250 90.582 902.32 901.14 982.69 48:96 787.15 16:396 Hong Konig 10:5990 10:573.90 10:397.44 10:573.90 41:96 8867.32 23:196 india	Barglang SET(33, 175) 1954 23 1960.57 1323.43 1472.04 107795 1125.69 1699.55 1125.69 1699.55 1125.69 1699.55 1125.69 1699.55 1125.69 1699.55 1125.69 1699.55 1125.69 1	Second Color Col

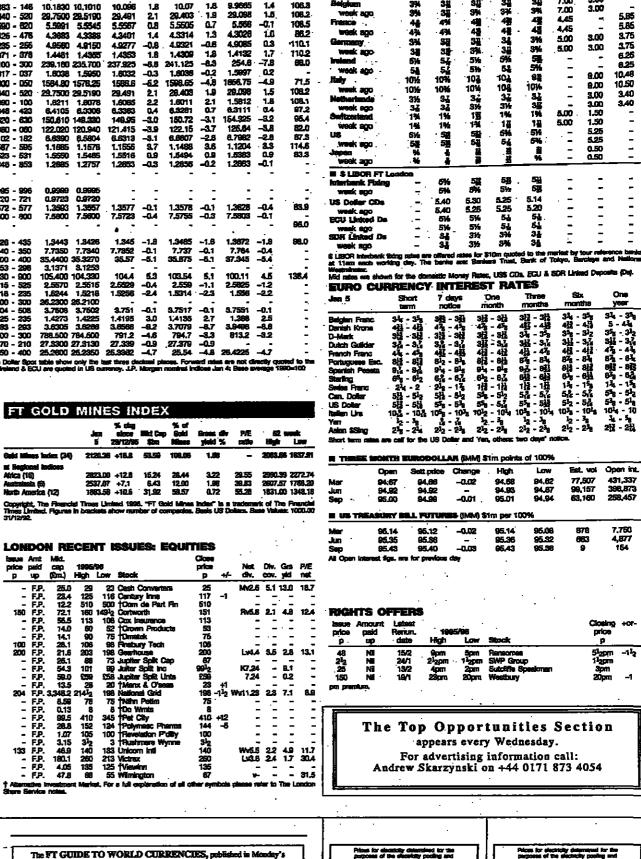
§ 1850. − a.

MIK RETURN

SLOCK Nices

The second





WORLD INTEREST RATES

Over night

Belgium Work ago France Week ago

Three miles

Sbx milita

One year

One month. Rate %PA

1.8 2.1 0.8 1.4 -0.8

nonths %PA

10.07



Tel: +44 171 329 3030

Fax: +44 171 329 3919

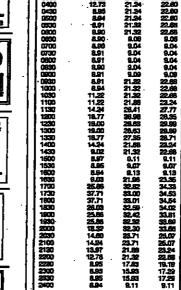
DOW TO SURGE - OR CRASH?

BACK YOUR VIEW TAX-FREE

To obtain year free Cariels to how your Florancial Bookmailer can help you, call Nijekari Manay or Len Jenkinson (1771-186-1011 or write to us: IC Index Fig. 1 Warwick Row, London SW1E SCE.

intures, Options & Currencies with

direct occess to exchange floors

James Maxwell Tel: 0171 702 1991 Fax: 0177 480 6115 

19.72 16.17 16.17 12.06 9.13 94.73 95.56 91.56 9

Pool price 25-979 15-93 15-93 19-96 16-96 16-96 19-98

16.84 16.84 20.87 20.87 20.87 20.87

(1

700 p400 01400 8.94 10.10 22.00 22.00 22.00 10.10 10.10

Pool selling prices (18.05 S1.36 S1.36 S1.36 S2.60 S2.

1/7 log piniod excheg 0030 0100 0150 0250 0250 0300

2000 Cale 1.11 S.11
Prizes are determined for every hell-hour in each beauty-hear hear parted to have delimit places, or magnetic fields and in pounds per magnetic fields and in pounds per magnetic fields and the parted field of the decimination of the period of the period field of the period of the period field of the period of the

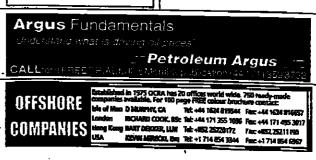
ar profits and contain your tosses. How? That's the secret. Book your FREE place. Phone 8171 588 5858 24HR FOREX CMC 44 171-865 0800 TREND ANALYSIS LTD

Daily Analysis & Trading Recommendations by Fax FOREX · METALS · BONDS · COMMODITIES For FREE TRIAL Phone 01962 879764 Fox 01424 774067

PHILLIP ALEXANDER SECURITIES AND FUTURES LIMITED Veritas House, 125 Finsbury Pavement, London EC2A 1PA Veritas Hosse, 125 Flasbury Parcusent, London ECZA IPA
NEWSER Tel: (44) 171 417 9720 Faz: (44) 171 417 9719 \$32 ROUND
SEA ALSE Tel: (44) 171 417 9720 Faz: (44) 171 417 9719

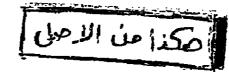
SOVEREIGN (FOREX) LIMITED 24 HOUR MARGIN TRADING FACILITY COMPETITIVE PRICES DAILY FAX SERVICE Tel: 0171 - 931 9188 Fax: 0171 - 931 7114 47x Backingham Palace Rd, London SWIW ORK

The Top Opportunities INDICES AND INTEREST RATES. Section Call 0839 35 35 15 For a free Dealing Pack which includes the full range of 17 Futures Call services phone (0171) 522 2205 For senior management positions. Futures Fall An MCC Limited Company
An MCC Limited Company
Remo Call, 1921 Gest Your Sins, Israina MCR, Sin
All 1003 calls are charged at 39 photo charp ra For information call: Joanne Gerrard Op at all other is +44 0171 873 4153



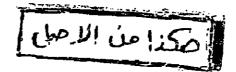
١.

The state of the last of the l



		MONDAY JANUARY 8 1996
New York 128 Add		THENT TRUSTS - Conf. Conf.
PTS Group	PTS Group —	120 42 Jan Jul 2027.11 120
*** Table 1	1375 1485	7 (24 42 Let 34 22 2071)
Range - 1292 3780 Investory - 27 72 23 \$ Apr Reg 2(7 5100 Brackers R 94 15 91 01724c - Mar Reg 2(7 5100 Brackers R 94 15 91 01724c - Mar Reg 2(7 5100 Brackers R 94 15 91 01724c - Mar Reg 2(7 5100 Brackers R 94 15 91 01724c - Mar Reg 2(7 5100 Brackers R 94 15 91 01724c - Mar Reg 2(7 5100 Brackers R 94 200 Creater R 94 15 91 01724c - Mar Reg 2(7 5100 Brackers R 94 200 Creater R 94 15 91 01724c - Mar Reg 2(7 5100 Brackers R 94 200 Creater R 94 200	Name 100	#W 34 8.85 Mr. 16500 51,227.11 262 183 - 61 183 - 61 14.1 - 1384 18.5 Mr. 175 Mr.
Range	St Code FFr	229 7.257-citishtuffer 1/0420.10 4145 ci inc. 3-17 61 -1.51 10,87-cityhutte 1/04.00 10 5162 109 - 109 - 254 109 - 259 2005 2590.07-cityhutte 1/04.00 10 5367
Personal 10 - 202 10 - 102		

FT Cityline Unit Trust Prices: diel 08	91 430010 and key m a 5 digit code lister	d below. Calls are charged at 39p/m	T MANAGED nute cheep rate and 48p/minute at 31 other	FUNDS SERVI	CE pscription only. For more details call the F	T Cityline Help Desk on (+44 171) 873 49	78.
OFFSHORE AND OVERSEAS	his Notes Salling Deploy 1444 City- Gage Price Paice Gry Line Royal Bis of Capearia O/S Set Morre 1444		MCDer Santing Baylog Yadd C i Uter Price Price Brane L	ISLE OF MAN (SE RECOGNISED)	Selling Beging Trafe City- Price Price Grape Liber	hit hains salling thomas. Yield Chy- Charge Palco Palco Bris Line Dannation Formal fort	Gage Mice Price Gry Line
BERMUDA (SB RECOGNISED) Ling Notes Setting Burging White Chapter Price Er's Line Fridelity Currency Fornets Lind American State American, Burnales Lik Payl Advances (State 1978) Phone Fridelity Currency (1979) Phone Fride	PO SER NO. SI PORT POIL SECTION 1945 173201	See	Section in the property of the	AZA Equity & Law half Fund Hingers rectory rim. Proceed two. Dougste total Process 685685 rect recover rid	Salar Service - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 -	2. And the Foreign 1.—2011 1. Immediation 10 1922. 661527-064- Charles Son 167	COLD A MANUAL STATE OF THE PROPERTY OF THE PRO
From Chans 14th 1732 777 977 84 Account	in the control of the	Superior Indian (party A 5 St.) 2 (1.2) (1	- Calpins Fund Siuz.es - 566 - Capital Vision Fund Pic St. 5 - 566 - Capital Vision Fund Pic St. 5 - 566 - St. 5 -	Bank of Ireland Asset Magnet (DM) Lid Control first, Program (Bank) 1 1005 1241 1220 Control first, Program (Bank) 1 1005 12	John Screet Hangement (Jersey) Ltd	The following Carloss of Carloss	Section Frame (where the first of the decision
Amount (special (Bernands) Ltd. P) Day 1942-26, Prantice, Bornand Ori Soc 222 2760 Agine 7 years (Special Special Spe	Schroder Investment Hingard (Eurensey) Ltd. Schroder Investment Hingard (Eurensey) Ltd. PO to Co. S. Prin Part Germany PO to Co. S. Prin Part Germany PO to Co. S. Prin Part Germany Policy Pol		Cto harva Sensy	Minimum Town Country C	HAVESCO intercutional Limited Berling Recombined income Francis Berling Recombined income Francis Berling Recombined income Francis Limited Francis Limite	Engine Star — Geologia Asserts Found (II) Answer Star Brates, 1, 2003, Lauranceur Answer Star Brates, 1, 2003, Lauran	Riskon Capital Managament of Told Albert Invasional Francisco Street Co. 19 al Invasional Francisco Street C
BERMUDA (REGULATED)(**) Saling by July 200 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	Backbasann Global lawesthead Fund Led Grant of Superior (18.9) 11.99 - 4257 Seeing and Gord & Co. (10.3) 11.99 - 4257		Dynamic Pacific Portion Fund Pic NAV	Secure high lecome. 6 Pr 1642 1 2984 1 705 kmp. If Uniter Burst. Global Francis Pic. 101 07624 620007 Scholl Hartmanner 1 100 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1		Egylsten Global STCAV (b) 1) The Convince. 1—1257. Lumbrany. 10: 352 (40-44):213 Gusty Period. Im 4. \$2.50 (1) (1) (1) (1) (1) (1) (1) (1) (1) (1)	Section of the sectio
Secretary and an assessment and a second and	Communicati Union Captives for Mings Communicati Chiannel Islands) Limited Communicati Chiannel Islands) Limited Communicati Management (Guerranay) Ltd Derivest Instance East 15 2, 191 44872 Stockel Perfortion Management (Guerranay) Ltd Communication Captives for Mings Com		Falcon Barkett Fund Pic Falcon Barkett Fund Pic Frace Barkett Pic	Bernit of Ireland Asset Magnet (COM) Ltd	Services Limited Linear	Patentiar Preside the Lightles, L-10271 Late 189-2174 UH-40 122 777377 UH-40 122 777377 UH-40 122 777377 Decrease Peans	Specific Superpoint
February 2011 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	Germany Capital Management Limited George Capital State Capital Hardword Capital State Capital Hardword Fund Managers (Cit Lid Jaconse UTC 127 SST 8.2415 Hardword Fund Managers (Guernsey) Lid Hardword Fund Managers (Guernsey) Lid Hardword Fund Managers (Guernsey) Hardwor		For 67 Anni Mp Instant) for one off Anni Mp PLC Global Resources Shock Fund S11.16 Sordon House Asset Management Ltd Corton House Optimat. S12.26 House Annie Published House Asset Management Ltd S33 House Spring Manageme	Chy Fannesia Adesia (off) Ltd	Riversary Assert Maget Channel Informatic Lief. 1987 17 18 18 18 18 18 18 18 18 18 18 18 18 18	Control shear Process and State State on the State of St	Schroder Informationed Scientifica Fe (a) Schroder Informationed Scientifica Fe (a) Schroder Information Scientifica Fe (a) Sci
Gar Herr St.	Basic Actions 11 12 13 15 15 15 15 15 15 15	if i fectorately 8 of incommission in 150 150 150 150 150 150 150 150 150 150	Agency Committee	Sylvete Informational Fund Stangement Ltd Sylvete Informational Fund Stangement Ltd All American Colors Sylvete Information Colors For University	Common March 1 of 1 o	Finning Group (a) Finning Croup	
GUERNSEY (SB RECOGNISED) All investment Massagers (Secretary) Let 10 Bts 25, 50 Peter Pot, diameters (1 1887) All investment Massagers (Secretary) Let 20 Bts 25, 50 Peter Pot, diameter (1 1887) All investment Massagers (Secretary) Let 21 Bts 25, 50 Peter Pot, diameter (1 1887) All investment Massagers (Secretary) Let 22 Bts 25, 50 Peter Pot, diameter (1 1887) All investment Massagers (Secretary) Let 23 Bts 25, 50 Peter Pot, diameter (1 1887)	Lazard Frence Asset Management (CT) Ltd	and seed that the seed of the	Compared to the second State of the second Process Compared Proces	JERSEY (SIB RECOGNISED) The state of the st	Group Fot List (Burst List (Bu	The second secon	Special Control Contro
The Group Wight — 5 (1995) 12 (1995)	Methal (gene Bockert (Genermen) Limited intelligence Bockert (Genermen) Limited intelligence bears 1.175 72 -	Old Murtural International Fed Margers 1.00 (a) 271 Laws Misses Street, both 2, indeed 00 3311 66 (a) 00 3311 66 (a) 00 3311 66 (a) 00 3311 66 (a) 00 3311 67 (a) 00 3311 6	Service Cognized in control of the c	Description of the control of the co	LUXEMBOURG (SIE RECOGNISSED) at Notes Selling Boring Trail Co- Corp. Price Price Trail ABIN AMERICA (a) A Bon America (a) A Bon America (a) A Bon America (b) A Bon America	Septimenter (C. 1939) F. S. 19.55 1 - 1979 Fromframent (C. 1939) S. 1972 No. de Neudert, Luspenbourg Grange (C. 1939) S. 1972 No. de Neudert, Luspenbourg Grange (C. 1939) S. 1973 No. de Neudert, Luspenbourg Grange (C. 1939) S. 1973 No. de Neudert, Luspenbourg Grange (C. 1939) S. 1973 No. de Neudert, Luspenbourg Grange (C. 1939) S. 1973 No. de Neudert, Luspenbourg Grange (C. 1939) S. 1973 No. de Neudert, Luspenbourg Grange (C. 1939) S. 1973 No. de Neudert, Luspenbourg Grange (C. 1939) S. 1973 No. de Neudert, Luspenbourg Grange (C. 1939) S. 1973 No. de Neudert, Luspenbourg Grange (C. 1939) S. 1973 No. de Neudert, Luspenbourg Grange (C. 1939) No.	Commission States of the Commission Commissi
	Sent Francisco Control	Carro Separtur-den F. Carro Separtur-den G.	FIG. L61 ASSET RESTRICTION PLC OT Enguine Mats Bond \$13.00 13.60 5.85 459 L52 State Speciment \$18.00 17.50 1.85 444	22/25 fixed Sweet, St Faller, Jersey C. 17 834 252/46 Death lawy listed France Death lawy listed	Grant Bord State Control of the Cont	House Statement Francis Lannandscarp SA (a) 7 nm of Marcha — and — Nechola I—1728 Lannandscarp SA (a) 7 nm of Marcha — and — Nechola I—1728 Lannandscarp Sa (a) 7 nm of Marcha — and — Nechola I—1728 Lannandscarp Sa (a) 7 nm of Marcha Sa (a) 7	The state of the s
	Section Region & School \$1,57 \$1,55 \$1,5	Committee of the commit	service in the constant rules of processes rules for the constant of the const	STATE ASSETTION OF THE PROPERTY OF THE PROPERT	Attack San Promise Provided for the control of the	Company of the Compan	Thereshon Investment Hamagament List \$2 deem Street, Lorde (EAR) 1947 \$2 de 1977 \$4 0
Herenteen Fel Mayer (Cs) List PO Bot 225, Daymery Hard North Vigit Hard State Control of the Con	Schroder Investment Mingrat (Guernsey) Ltd Park Largeria (Schroder 1987) Schroder Largeria (Schroder 1987) Schroder Largeria (Schroder 1987) Schroder Largeria (Schroder 1987) Statisce Pund Managers (Guernsey) Ltd Cerrus Cover 200 ut 11276 74 UEX Asset Managerset (Guernsey) Ltd	The Date of the Control of the Contr		The second state of the se	BAE Asset Messagement Ltd 10 Posselly Landon WW GE 10 Posselly Landon W	Smith Bern 1,22 1,24 1,25 1,26 1,27 1,2	
1	ILS, Advisors (Guerrosey) Limited US 3 the Pres De Sie of 52 65 1 49886 Wells Pargo Bilden Inv Adv Goy Ltd Japan Inder Funt 17279 2424 1 45527 Vanneich Capital Mange (Guerrosey) Ltd Vanneich E Start Vanneich Sie of 1888 1 4441 Vanneich Sie of 1888 1	In Equal women 45 Dec 1770 Line 18 18 18 18 18 18 18 18 18 18 18 18 18	Pacific 21st Century Form 50.15 5444 Pacific 21st Century Form 1 50.25 5.52 Pacific Growth Fund Ltd 51.65 6.00 5.50 Pacific Weakher Offshore Funds Pic (a) 1257 Parface Assail Management (treland) Ltd 1257	Charles Committee Committe	Service Service - 155 per 16 p	Committee Commit	Figure 1 -
in American Strength (Professor S. 1998) 1999 1999 1999 1999 1999 1999 199	but Roise Selbeg Reging Told Cir- Price Price Cr. Line ST Fund Managers (Iroland) Lid 60 Harmont Street, Duthin 2 61 Harmont Street, Duthin 2 62 Harmont Street, Duthin 2 63 Harmont Street, Duthin 2 64 Harmont Street, Duthin 2 65 Harmont Street, Duthin 2 66 Harmont Street, Duthin 2 67 Harmont Street, Duthin 2 68 Harmont Street, Duthin 2 69 Harmont Street, Duthin 2 69 Harmont Street, Duthin 2 69 Harmont Street, Duthin 2 60 Harmont Stre	IRELAND (REGULATED)(**) Saling Space Table Price Table AND Space Table AND Sp	Property Management (retand) Ltd Property Management (retand) Ltd Old On L rotherhold international Assec ptc		Contracting the contract of th	Applier Tymodal Colonia Fund T	21.00 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1
Lames for Source 5 E(1) fold 11 19 1 483 1844 1 19 1 19 1 19 1 19 1 19 1 19 1 19	Security of the Control of the Contr	Del Universe Commerce 1870 Medical Constitution of the Constitutio	The state of the s	Production Found Managers (Jersey) Ltd PO Box 103, 31 Holer, Jersey Warley, 15 Holer, 15 Holer (15 Holer) Production Commiss (4) 1236 (2000) 12 6 Holer (15	Equity French Equity	The country of the co	Accordance of the process of the pro
Carra e Carra	Christones Investments Pic La Rose Lance University of Charles See Control See	Asian Emerging Blankets Fond Pic 1621 Asian Gatavary Fund Pic 1627 Asian Growth Fund Pic 1627 Asian Growth Fund Pic 1627 Asiantis Korean Smaller Companies Fund 1628 Asiantis Korean Smaller Companies Fund 1629 1629 1620 1621 1621 1621 1621 1621 1621 1622 1622 1623 1624 1625 1627 1627 1627 1627 1627 1627 1627 1627	Samong Yamaichi Aala Growth Fund Ple Samong Yamaichi Aala Growth Fund Ple Samong Vannational (treland) Ple	JERSEY (REGULATED)(**)		Committee Commit	Control Grand Service
Po Bos 61, 32 Point PPT Claumour Provincial times From 111 11 12 4 150.5 1.71 1657 Harrand States 111 11 11 11 11 11 11 11 11 11 11 11 1	Color extendence of the color o	BLW Investment Management brehand Lin Bull Front income Statisties from Protection A Consequence of the Cons		Barciays Intil Funds Asian Saindies Foods Asian Sai	Sign Ligarinery Property 1.50 (feet 1.50	Leyes Sent Lexembern I no Scale I - 1019 Lemman I no Scal	Sangua Scandiarea En Suisse Sangua Scandiarea En Suisse Sindruma Scandiarea En Scandiarea En Suisse Sindruma Scandiarea En Suisse Sindruma Scandiarea En Scandiarea En Suisse Sindruma Scandiarea En Scandiarea En Suisse Sindruma Scandiarea En Sc
を表現しています。	Foreigned Foreignes (1992) Fo	Comment of the second of the s	Societe Generale Group Series Founding Street Strike Fund Pic Uister Bank Invastment Services Series Services Service Service Services Service Service Service Services Service Service Service Service Service Services Service Servi	Contract to Land Contra		Matricible Respect Stobut Found (c) 12 Jan Costen, -1-157 Sanrican (24 Lend	Signal Care Hyers into Fd Sicar (et) Signal Care Hyers into Fd Sicar
	Februaries Specificum Es Gort Scounities From 1970 Programmer Control of the Programmer Control	conservation of the conser	Value Express Fund Pic Value Express Fund Pic Yamaichi Samsung Dynamic Korea Fund 19 15 - 3827 Yellyw Sea Investment Company Pic Yaid Korea Fund 5 1056.14 - 5508	Scan S Fill by Mg S S S S S S S S S	STREET LOOK ACT THE TOTAL STREET THE STREET	Control Form Contr	S Dates incomes From Jones Constitution From



FT Citylins Unit Trust Prices: dial 0891 430010 and key in a 5 digit code listed below. Calls are charged at 39p/minute cheep rate and 49p/minute at all other times. International access available by subscription only. For more details call the FT Cityline Help Desk on (+44 171) 873 4378. All anny intermetional is a series of a se Colling Region Visit City Prints Street Liber Royal Life International Story Cont., Abovy Rd. Continuous India Story Cont., Abovy Rd. Cont., Cont., Abovy Rd. Cont., Cont. Cantoco lovestment Management Ltd Solon Asset Management - Could. Solon Asset Management - Cou in Asset Value Fund Sedic Egyliy Particle Sedic Sandy Magadian Lamping blood from Straight Magadian Asset M | State | Stat 49056 - | 55318 Micropon Stanley Stane Micropon Stane Micropon Stanley Stane Micropon Stanley Stane Micropon Stanley Stane Micropon Stane Micropon Stanley Stane Micropon Stane Microp Smaller Con Philip Dec 29_1 84.52 1 The China Frend - 88524 \$1072.84 = | 探楽 In the second se ED&FMan - 45114 E D & F Mean Investment Products E D & Sabre Futures Fund Commonly Recovery State State Schroder Inventured Memory TOTAL TOTAL CONTROL OF THE CONTROL O Schreder investment throughpool Co. U.S. Fauth of Schreder Schreiter Schreder Schreder Schreder Schreder Schreder Schreder Schred ___ | \$107,11 | - | \$5690 set Front Ltd MAY New 20 Community Front 1-5 | - 164079 Slebel Leveraged Februar Fund Not Dec 20 - | 839 15 | - 155391 Goldmann Sactos The state of the s Columbus Asset Homogenest Ltd Street Way Season and Control of the Control Way Season and Control of the Contro Course Esterprise Form Cowen Esterprise Francisco & State Complete Comp Scottists Provident and Lib Assa Lib Scottists Provident and Lib Assa Manufacture Franci Ltd Manufa 8707.37 | = | 568<u>8</u> Condit Lynomits left Ameri Segunt (196) List (1201) Condit Lynomits left Ameri Segunt (196) List (Extendes Ayet Str. 1 AST 7 For Scientific see On Fund Managers. Patente brown | Patente brown | Security | - 178数 192] 知解 | 4 54191 | Santont International by | 570,27034 | 1 47558 | Segentiar Securities (Bermende) Ltd | 1 570,27034 | 1 570,57034 | 1 570,57034 | 1 570,57034 | 1 570,57034 | 1 570,57034 | 1 570,57034 | 1 570,57034 | 1 570,57034 | 1 570,57034 | 1 570,57034 | 1 570,57034 | 1 570,57034 | 1 570,57034 | 1 570,57034 | 1 570,57034 | 1 570,57034 | 1 570,57034 | 1 570,57034 | 1 570,57034 | 1 570,57034 | 1 570,57034 | 1 570,57034 | 1 570,57034 | 1 570,57034 | 1 570,57034 | 1 570,57034 | 1 570,57034 | 1 570,57034 | 1 570,57034 | 1 570,57034 | 1 570,57034 | 1 570,57034 | 1 570,57034 | 1 570,57034 | 1 570,57034 | 1 570,57034 | 1 570,57034 | 1 570,57034 | 1 570,57034 | 1 570,57034 | 1 570,57034 | 1 570,57034 | 1 570,57034 | 1 570,57034 | 1 570,57034 | 1 570,57034 | 1 570,57034 | 1 570,57034 | 1 570,57034 | 1 570,57034 | 1 570,57034 | 1 570,57034 | 1 570,57034 | 1 570,57034 | 1 570,57034 | 1 570,57034 | 1 570,57034 | 1 570,57034 | 1 570,57034 | 1 570,57034 | 1 570,57034 | 1 570,57034 | 1 570,57034 | 1 570,57034 | 1 570,57034 | 1 570,57034 | 1 570,57034 | 1 570,57034 | 1 570,57034 | 1 570,57034 | 1 570,57034 | 1 570,57034 | 1 570,57034 | 1 570,57034 | 1 570,57034 | 1 570,57034 | 1 570,57034 | 1 570,57034 | 1 570,57034 | 1 570,57034 | 1 570,57034 | 1 570,57034 | 1 570,57034 | 1 570,57034 | 1 570,57034 | 1 570,57034 | 1 570,57034 | 1 570,57034 | 1 570,57034 | 1 570,57034 | 1 570,57034 | 1 570,57034 | 1 570,57034 | 1 570,57034 | 1 570,57034 | 1 570,57034 | 1 570,57034 | 1 570,57034 | 1 570,57034 | 1 570,57034 | 1 570,57034 | 1 570,57034 | 1 570,57034 | 1 570,57034 | 1 570,57034 | 1 570,57034 | 1 570,57034 | 1 570,57034 | 1 570,57034 | 1 570,57034 | 1 570,57034 | 1 570,57034 | 1 570,57034 | 1 570,57034 | 1 570,57034 | 1 570,57034 | 1 570,57034 | 1 570,57034 | 1 570,57034 | 1 570,57034 | 1 570,57034 | 1 570,57034 | 1 570,57034 | 1 570,57034 | 1 570,57034 | 1 570,57034 | 1 570,57034 | 1 570,57034 | 1 570,57034 | 1 570,57034 | 1 570,57034 | 1 570,57034 | 1 570,57034 | 1 570,57034 | 1 570,57034 | 1 570,57034 | 1 570,57034 | 1 570,57034 | 1 - 1 47838 : (#M) BJ Schroder Benk & Treat Company BJ Schroder Benk & Treat Company BJ Schroder Descens NOT | 1026.18 | 1 | 1 | 58574 IOF Investment & Development Financing Ltd Foundate Fatt Lie on a Crosby Assart Ministropement Lie on the Crosby Assart Ministrop DF investment & Development Frameling Ltd DF Scotel So 57 - 34004 Impac Asia Pacific Frame Limited ives fore So 57 - 34004 Impac Asia Pacific Frame Limited ives fore So 57 - 34004 Impac Asia Pacific Frame Limited ives fore So 57 - 34004 Impac Asia Pacific Frame So 57 - 34004 Impac Asia Pacific Frame So 57 - 34004 Impac Asia Pacific Frame So 57 - 35008 Impac Asia Paci - | 50294 Danisma Investment Trust Co Ltd Total Control - | 45308 May Dec 29... American Guint (AR Carl Spacengier (AR Carl Sp OTHER OFFSHORE FUNDS Stalling Stayling Tital City-Patter Patter Group Libra | Surfights (a) | Surfights (a) | Surfights (a) | Surfights (a) | Surfight (a) | Morgan Stanley Erner Exercise Man Age 13 — Exercise Man Age 12 — Reticual Investment 7 ET 14876 EL 14876 AGA RESTANDANCE FROM Mingris (Generatory) Ltd The New Asia Frant Ltd Sty U.S. (Street) 40: 3: \$12.85 | = 14488 Denom de Dec 15-1 STUSA : 55024 E | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | 1952 | A Street Works | Silver Son | North Adontic Management to Ltd Courses | STLE | 12:16| | North Stor Fund Managers (Carelless Courses) Actions Management 1971-197 Month Shar Fund Management (A. 1977-197 Month Shar Fund Ma The state of the s tes de Mendeo SA de CV ___ | Pecce51.51 | 3.25 | 55258 - 1 58304 Special Services Ser 龖 三 | 極端 Anatomical to fine their laterations of Friends Provides Internations of Friends Provides International Americans Americans and Friends Provides International Americans Americans and Friends International Americans International Internation seale Fund make French Feed SCOV

MANAGED FUNDS SERVICE

NEW YORK STOCK EXCHANGE COMPOSITE PRICES | Company | Comp

- D -

| The Color | The

Law Stock
Law Stock
Law Stock
Law Stock
A Bechald x
St-law Stock
A Bechald x
St-law Stock
A Bechald x
Bechald x
###

- C -

| The color of the

- E -

المتطابط المترجة الإناجاء الإطابان المتراث المراد الم المناوة المتال المراد المارة المتالية المتالية

计图 计图片

戏语 鸡马语 海绵核鸡络 经指通通与有利债

-78

20 1234 Huston Fibr X 0.05 0.4 14 272 in 1 1576 10 Haffy Corp 0.34 3.0 66 165 113 13 2814 1774 Hustons Sap 0.28 0.9 13 259 12814 2816 17 Hustons 445 54.8 22 6971 12814 2 183 1254 hust Mg Cz 0.38 2.3 17 1676 1 612 27a Hustingdon 0.22 4.0 91 1322 512 93a 81a Hyperion 0.84 9.3 138 91a 11¹g 29 26⁵g 16³d 5³g 11 3 29 4 26 4 16 3 5 1₂ 671, 201, 87 has
261, 193, 87 has
103, 97 has
103, 97 has
203, 193, 87 has
303, 223, 183, 193, 193,
203, 193, 183, 183,
203, 193, 183, 183,
203, 193, 183, 183,
203, 193, 183, 183,
203, 193, 183, 183,
203, 193, 183, 183,
203, 193, 183, 183,
203, 193, 183, 183,
203, 193, 183, 183,
203, 193, 183, 183,
203, 193, 183, 183,
203, 193, 183, 183,
203, 193, 183, 183,
203, 193, 183,
203, 193, 183,
203, 193, 183,
203, 193, 183,
203, 193, 183,
203, 193, 183,
203, 193, 183,
203, 193, 183,
203, 193, 183,
203, 193, 183,
203, 193, 183,
203, 193, 183,
203, 193, 183,
203, 193, 183,
203, 193, 183,
203, 193, 183,
203, 193, 183,
203, 193, 183,
203, 193, 183,
203, 193, 183,
203, 193, 183,
203, 193, 183,
203, 193, 183,
203, 193, 183,
203, 193, 183,
203, 193, 183,
203, 193, 183,
203, 193, 183,
203, 193, 183,
203, 193, 183,
203, 193, 183,
203, 193, 183,
203, 193, 183,
203, 193, 183,
203, 193, 183,
203, 193, 183,
203, 193, 183,
203, 193, 183,
203, 193, 183,
203, 193, 183,
203, 193, 183,
203, 193, 183,
203, 193, 183,
203, 193, 183,
203, 193, 183,
203, 193, 183,
203, 193, 183,
203, 193, 183,
203, 193, 183,
203, 193, 183,
203, 193, 183,
203, 193, 183,
203, 193, 183,
203, 193, 183,
203, 193, 183,
203, 193, 183,
203, 193, 183,
203, 193, 183,
203, 193, 183,
203, 193, 183,
203, 193, 183,
203, 193, 183,
203, 193, 183,
203, 193, 183,
203, 193, 183,
203, 193, 183,
203, 193, 183,
203, 193, 183,
203, 193, 183,
203, 193, 183,
203, 193, 183,
203, 193, 183,
203, 193, 183,
203, 193, 183,
203, 193, 183,
203, 193, 183,
203, 193, 183,
203, 193, 183,
203, 193, 183,
203, 193, 183,
203, 193, 183,
203, 193, 183,
203, 193, 183,
203, 193, 183,
203, 193, 183,
203, 193, 183,
203, 193, 183,
203, 193, 183,
203, 193, 183,
203, 193, 183,
203, 193, 183,
203, 193, 183,
203, 193, 183,
203, 193, 183,
203, 193, 183,
203, 193, 183,
203, 193, 183,
203, 193, 183,
203, 193, 183,
203, 193, 183,
203, 193, 183,
203, 193, 183,
203, 193, 183,
203, 193, 183,
203, 193, 183,
203, 193, 183,
203, 193, 183,
203, 193, 183,
203, 183, 183,
203, 193, 183,
203, 193, 183,
203, 193, 183,
203, 1

- H -

년 년 년 년

-1

ずずずずずずずずずずず

计设计工 经分类工具令

- J -

52¹g 37²s J Rheet PF 53 38³g J Rheet L 13⁷s 7²s Jacobs Be 26¹s 17²s Jacobs Be 10¹s 7²s Jacobs Be 10²s 7²s Jacobs Be 10²s 7²s Jacobs Be 48¹s 33.67 Jenes 10²s 32²g Jenes 52²s 32²g Jenes 12 7²s Johnston 22²s 17²s Johnston 23²s 17²s Johnston 23²s 17²s Johnston

39¹a, 24⁵a, NAN R Dich 30¹a, 20¹a, NI Energy 65¹2, 51¹a, KanCa 45 25 20⁵a, Kanch Pi 9¹2, 7¹a, Kanch Serv 25^aa, 21¹a, Kanch Serv 25^aa, 21¹a, Kanch Serv 25^aa, 21¹a, Kanch Serv 20, 14¹a, Kanch Serv 15, 10²a, Kanch Serv 15, 10²a, Kanch X 15, 10²a, Kanch X 15, 10²a, Kanch X 10²a, 21²a, Kanch 21²a, 16²a, Kanch 10²a, 9²a, Kanch 10²a, 9²a, Kanch 10²a, 9²a, Kanch 10²a, 20²a, Kanch 10²a, 20²a, Kanch 10²a, 20²a, Kanch 10²a, 16²a, 16²

1.38 7.5 541 484, 455 45
1.30 7.5 15 483, 484, 485,
1.30 7.5 15 483, 484, 485,
1.30 7.5 15 483, 484, 485,
1.30 7.6 1684, 254, 254,
1.31 11 119 97 95 95, 95,
1.32 2.8 13 553 485, 46 484,
1.32 2.8 13 553 485, 46 484,
1.32 1.5 241242 575, 854, 874,
1.32 1.5 241242 575, 854, 854,
1.40 4.8 20 124 55, 84, 84,
1.40 4.8 20 124 55, 84, 84,
1.40 4.8 20 124 55, 84, 84,
1.40 4.8 20 124 55, 84, 84,
1.40 4.8 20 124 55, 84, 84,
1.40 4.8 20 124 55, 84, 84,
1.40 4.8 20 124 55, 84, 84,
1.40 4.8 20 124 55, 84, 84,
1.40 4.8 20 124 55, 84, 84,
1.40 4.8 20 124 55, 84, 84,
1.40 4.8 20 124 55, 84, 84,
1.40 4.8 20 124 55, 84, 84,
1.40 4.8 20 124 55, 84, 84,
1.40 4.8 20 124 55, 84, 84,
1.40 4.8 20 124 55, 84, 84,
1.40 4.8 20 124 55, 84, 84,
1.40 4.8 20 124 55, 84, 84,
1.40 4.8 20 124 55, 84, 84,
1.40 4.8 20 124 55, 84, 84,
1.40 4.8 20 124 55, 84, 84,
1.40 4.8 20 124 55, 84, 84,
1.40 4.8 20 124 55, 84, 84,
1.40 4.8 20 124 55, 84, 84,
1.40 4.8 20 124 55, 84, 84,
1.40 4.8 20 124 55, 84, 84,
1.40 4.8 20 124 55, 84, 84,
1.40 4.8 20 124 55, 84, 84,
1.40 4.8 20 124 55, 84, 84,
1.40 4.8 20 124 55, 84, 84,
1.40 4.8 20 124 55, 84, 84,
1.40 4.8 20 124 55, 84, 84,
1.40 4.8 20 124 55, 84, 84,
1.40 4.8 20 124 55, 84, 84,
1.40 4.8 20 124 55, 84, 84,
1.40 4.8 20 124 55, 84, 84,
1.40 4.8 20 124 55, 84, 84,
1.40 4.8 20 124 55, 84,
1.40 4.8 20 124 55, 84,
1.40 4.8 20 124 55, 84,
1.40 4.8 20 124 55, 84,
1.40 4.8 20 124 55, 84,
1.40 4.8 20 124 55, 84,
1.40 4.8 20 124 55, 84,
1.40 4.8 20 124 55, 84,
1.40 4.8 20 124 55, 84,
1.40 4.8 20 124 55, 84,
1.40 4.8 20 124 55, 84,
1.40 4.8 20 124 55, 84,
1.40 4.8 20 124 55, 84,
1.40 4.8 20 124 55, 84,
1.40 4.8 20 124 55, 84,
1.40 4.8 20 124 55, 84,
1.40 4.8 20 124 55, 84,
1.40 4.8 20 124 55, 84,
1.40 4.8 20 124 55, 84,
1.40 4.8 20 124 55, 84,
1.40 4.8 20 124 55, 84,
1.40 4.8 20 124 55, 84,
1.40 4.8 20 124 55, 84,
1.40 4.8 20 124 55, 84,
1.40 4.8 20 124 55, 84,
1.40 4.8 20 124 55, 84,
1.40 4.8 20 124 55, 84,
1.40 4.8 20 124 55, 84,
1.40 4.8 20 124 55, 84,
1.40 4.8 20 124 55, 84,
1.40 4.8 20 124 55, 84,
1.40 4.8 20 124 5

- N -

+5₈ - M -

Cargo

Character

One % 6 100n 160n Character

One 0.48 0.0 23:05883 84, 73, 8 8-6

I.48 2.4 16 1663 6724 67 174, 8

One 0.755 75 11 105n 107n -4

One 0.0555 1502 2244 22 225n -4

II 2748 375; 365 374 -1

I.66 5.6 143 305n 30 30 30 -4

II 0.060 5.0 05 165 1249 1179 12 -1

One 0.06 24 9 71 245n 244a 245n +1

One 0.06 24 9 71 245n 244a 245n +1

One 0.06 24 9 71 245n 244a 245n +1

One 0.06 24 9 71 245n 244a 245n +1

One 0.06 24 9 71 245n 244a 245n +1

One 0.06 24 9 71 245n 244a 245n +1

One 0.06 24 9 71 245n 244a 245n +1

One 0.06 24 9 71 245n 244a 245n +1

One 0.06 24 9 71 245n 244a 245n +1

One 0.06 24 9 71 245n 244a 245n +1

One 0.06 24 9 71 245n 244a 245n +1

One 0.06 24 9 71 245n 244a 245n +1

One 0.06 24 9 71 245n 244a 245n +1

One 0.06 24 9 71 245n 244a 245n +1

One 0.06 24 9 71 245n 244a 245n +1

One 0.06 24 9 71 245n 244a 245n +1

One 0.06 24 9 71 245n 244a 245n +1

One 0.06 24 9 71 245n 244a 245n +1

One 0.06 24 9 71 245n 244a 245n +1

One 0.06 24 9 71 245n 244a 245n +1

One 0.06 24 9 71 245n 244a 245n +1

One 0.06 24 9 71 245n 244a 245n +1

One 0.06 24 9 71 245n 245n +1

One 0.06 24 9

.14

1000/96
Figh Lew Stock
4412 2212 Ang/Hid
1614 573 Ang/Hid
1614 574 Ang/Hid
12 575 Rostmapes
2314 16 Korea Fo
3714 2312 Rosper
3016 25 NU Energy
1314 101 Authors CO
184 123 Kyonera CP
2514 20 kyonr stolu

نويز مؤدثه المام الم

3.9 19-7 Precision
3.4 38 Precision
3.4 38 Precision
3.4 12 Precision
3.4 12 Precision
3.4 12 Precision
3.4 12 Precision
4.2 12 Precision
5.6 6 Procision
5.7 6 Procision
4.3 12 Procision
4.3 12 Procision
4.4 12 Procision
5.5 0.02 Procision
101 86 Passivol
101 86 Passivol
102 12 Procision
103 12 Procision
104 12 Procision
105 12 Procision
105 12 Procision
105 12 Procision
105 12 Procision
106 12 Procision
107 12 Procision
108 12 Procision
109 12 Pro - R -

136 30 kil 306 46 is 45 is 45 is 17 is 34 is 17 is 34 per group

15 is 13 per Am in 120 26 is 1930 47 is 46 is 46 is 15 is 13 per Am in 120 05 is 1930 47 is 46 is 46 is 15 is 13 per Am in 120 05 is 13 24 is 24 is 24 is 15 27 is 14 is per Scien

12 is 2 per Am in 120 05 is 13 24 is 24 is 24 is 25 is 27 is 24 per Am in 120 80 is 14 is 15 is 24 is 24 is 24 is 25 is 24 per Am in 120 80 is 24 is 24 is 24 is 25 is 24 i +'6 +¹3; +¹3; +¹3;

- P - Q -

| Transfer | Tid. | Pf | Sis | Line | Prefer | P

25 16-1₄ PLI Curp
12 9 ROTakem
15-1₂ 4¹9 RES Really x
28 21-7₆ Rescorp
67 43-7₂ Rescorp
67 43-7₂ Rescorp
67 43-7₂ Rescorp
67 43-7₂ Rescorp
68 32-7₂ Response
69 28-1₄ Response
69 28-1₄ Response
69 28-1₄ Response
69 18-1₄ Response
60 44-1₄ Response
60 48-1₄ 667, 521, NCH Corp 1.20 2.1 13 39 5712 184 467, NCH Corp 1.20 2.1 13 39 5712 184 57 18 سايد سايد المراجع المر 小江山山山山山山 山山山山山山山山山山 - S -

14.4 14.14.4.14.14

BE GUEST. (S) Sheraton Aerogolf

- B -

بد مار



FINANCIAL TIMES

Vinical.

を からなる

M.32

| Second | S 241, 16 Wast Ind
315 271, WPL Holdin
129 63 15 176 371, 301, 307, 374, 41,
201, 131, Whaten Ind
481, 32 Wichne
139 102, Wastenedard
15 272, Wastenedard
15 273, Wastenedard
15 273, Wastenedard
15 273, Wastenedard
16 277, Wastenedard
17 271, Wastenedard
18 101, Wastenedard
19 101, Wastenedard
10 277, Wastenedard
10 277, Wastenedard
10 277, Wastenedard
10 278, Wastenedard
10 278, Wastenedard
10 279, Wasten - W -- X - Y - Z -

144%, 961/2 Xerox 521/2 407% Xira Corp 251/2 191/2 Yankee Egy 481/2 341% Yank ini 41/2 27/2 Zaposta 121/6 67% Zanko kot 67% 67% Zanko kot 67% 167% Zanko kot 17% 127% Zaro 516% Zanko kot 111/2 101/4 Zaneto Fund 9 77% Zaneto Tos

2012 2013 1214 1256 1214 1256 1214 1256 1214 1256 1214 1224 1214 2214 AMEX COMPOSITE PRICES 4 pm close January 5 P/ Siz In. E 100s High Low Glose Chang 78 2100 11% 11% 11% 11% +1/c 17 18 2100 18 19 19 11 164 73 718 71% +18
 P/
 Six

 Stack
 Div. E
 190e
 High
 Low Close Chag

 Crown C
 A
 0.40
 15
 5
 15¹₂
 15¹₄
 15¹₂
 +³₈

 Crown C
 B
 0.40
 13
 57
 15¹₂
 15¹₄
 15¹₂
 +³₈

 Cubic
 0.53
 29
 66
 26¹₈
 25¹₂
 25¹₈
 25¹₈

 Customedix
 9
 2100
 2¹₈
 2¹₈
 2¹₈
 2¹₈
 Stock NVR Pagasus t Perini Pitaway A Sinck Health Ch Heico HymanianA 0.17

P/ Sis Obv. E 100s High Low Close Chang 10 108 10 53 10 53 10 1080 8141 116 153 16 -18 0.50 1 26 852 87 87 87 -18 0.50 24 107 855 86 85 -18 1.04 10 57 124 125 125 127 -18 0.10 0 1130 15 5 5 80%. E 1000s 18gh Low Gloss Cheg

85 223 2712 27 2712 +12

7 26 15 14 14 14 15 26 16 16 13 12 12 12 -12

105 7 2 44 13 42 12 12 12 -12

105 8 1502 8 07 2 7 15

2 239 1112 1119 1112 +18

2 239 1112 1119 1112 +18

2 200 6 30 16 12 16 16 16 12 -14

14 19 4 312 4 +18

46 1135 173 111 18 111 18 +14

46 1135 173 111 18 14

4 57 512 513 513 +18

72 2100 418 438 438 Adv Magn Affin Inc Alging Ind Am Isr Pa Ametavi Amper-Ama Assirotech Man Autoova A Autoova A 0.16 17 14 13½ 13½ 13½ 13½ 8 2445 8½ 7½ 8½ 47 344 20½ 19½ 20 0.08 36 1938 27½ 27½ 27½ testrenCp int. Coms teiermägn Next -4, +4, 11 106 12 658 12 24 113 144 1412 1414 +18 12 74 10 978 978 -18 0.48 32 119 8 713 8 0 129 213 22 259 12 40 213 279 213 47 6587 171₈ 161₂ 165₈ 8 2426 11 107₈ 11 Eastn Co 0.46 11 4 12 11% 12 Echo Bay 0.07 33 16256 112 11½ 11% +5a Ecol En A 0.32 23 25 9½ 9 9½ +1å Edisto Rs 49 33 7 6% 7 +1å Easto Int 37 1957 12034 20 2034 Epitope 10 640 16 1444 16 +1å4 4 BSM Ocean 0 60 11 53 212 218 214 18
Badgerlift 0 80 12 150 25 25 25 44
Badgerlift 0 80 12 150 25 25 25 44
BATaor 0.74 12 416 175 175 175 175 44
BATaor 13 5 218 218 218
Bends Man 0.00 17 32 235 2344 235 48
Bo-Rad A 14 86 4712 41 4112
Bowns 0.36 13 165 19 185 185 48
Brussan A 1 04 20 370 175 175 175 178 48 38 105 31₂ 31₄ 31₂ 12 165 103₄ 101₂ 105₈ 2 137 3₈ 3₈ 3₈ 31 945 115₈ 101₂ 103₈ 18 6 581₂ 571₂ 581₂ 0.70 16 10 31¹2 31¹3 31¹2 240 10 37 651¹3 50¹4 51¹4 : 0.20 30 34 25¹2 25¹2 25¹2 20 1951 47²3 45²3 47¹8 , 38 50 6¹4 6¹8 6¹8 Fab inds Fina A FstCityBoc Forest La Frequency 27 514 7s 12 13 0 20 13 56 395 395 395 +10 0 14 31 2 1012 1012 1012 +14 0 00 18 15 413 413 +15 0 30 14 22 21 207 2072 -14 34 1472 01212 1012 1114 -114 4 17 51 244 240 25 -14 4 5 8 458 458 458 -18 4 064 22 119 1534 1473 1534 +12 Garan 0.80 15 116 163a 163a 163a Garaf FdA 0.74 19 612 32 313a 32 Statiffs 0.70 10 468 1732 173a 732 Gatef Otta 0.34 5 940 476 478 474 18 158 14 -16 33 80 9³8 0.56 19 1382 28¹2 109 4 4³8 2 65 125 125 125 125 126

7

Have your FT hand delivered in

office every working day. Hand delivery services are available for all subscribers who work or live in the business centre of Warsaw. Please call +48 2 644 5522 for more information.

Financial Times. World Business Newspaper.

97 St.
Die, E 1900 High Law
0.20 8 148 8½ 7½
8.12 22 504 4245 23½

105 24 2157 25¹4 24¹2 24²6 ¹8 45516592 49⁵8 45¹2 48³4 ¹4 13 8 14⁷8 14³4 14³4 ¹4 20146 38:465³4263¹2263³2 +1

- C -

- D -

DSC Cas 18110057 31½ d30 30% d2½ 20½ Dart Grav 0.13 8 7 93½ 92½ 93¾ +1¾ Dart Grav 0.13 8 7 93½ 92½ 93¾ +1¾ Dart Grav 21 1440 23½ 22½ 23½ +¾ Dart Grav 0.13 350 23 23½ 23½ +1¾ Dart Grav 0.20 9 45 3½ 3¾ 3¾ 3½ 3½ 0.20 Deb Shope 0.20 9 45 3½ 3½ 3½ 3½ 3½ 0.20 Deb Shope 0.20 9 45 3½ 3½ 3½ 3½ 3½ 0.20 Deb Shope 0.20 9 45 3½ 3½ 3½ 3½ 3½ 0.20 Deb Shope 0.20 25 42 48 47¼ 47¼ 47¼ 4½ Deb Comp 1224583 34 31¼ 33 +1

			35
I	ASDAQ NATIO	ONAL MARKE	4 pm clase January 5
	l Pi Sta	N 54	P/ Sa
8 2	Shock Sav. E 1004 (Figh Low Last Ching Datphy x 8.33 20 657 397g 3974 3974 -5g	Streek Title E 1906 High Low Land Chang	Stock Dis. E 100s High Law Lawl Ching
8	Dep Sily 1.20 12 180 45 ¹ 4 44 ¹ 4 44 ² 4 + ¹ 4 Devices 0.20 33 20 8.05 8.05 8.05 -21 DH Tech 20 40 24 ¹ 2 23 ¹ 2 24 ¹ 2	- K - X Swiss x 0.08 9 55 11 ¹ 4 11 11 - ¹ 4	- R Rainbow 17 218 21 ¹ g 20 ³ s 21 ¹ g + ³ 8
1	Digital 13 5731 18 ¹ 6 17 ² 4 18 ¹ 6 Day Micro 73 457 9 ¹ 4 19 ³ 6 9 ¹ 2 - ¹ 8	Rimman Cp z 0.44 12 178 11 1072 11 Kelly Sv 0.80 18 1984 2834 2834 2832 Kombali 0.92 13 147 2512 25 2512 +34	Rathys: 0 310 13 14 13 +4 18 18 18 18 18 18 18 18 18 18 18 18 18
•	Dig Sound 168 686 113 114 114 Dig Syst 18 338 1212 12 12 12 3	KLA from 1717733 2512 2273 2412 +12 KGFA 0 2970 12 11 13 +12	RCS8 Fin 0.48 10 1326 2256 224 2256 Read-Rite 98128 254 24 244 +44 Recoton 15 122 1856 1744 1844 -44
Ē	Disnex Co 21 1912 30 ² s 28 ² s 29 ² s Diste Yrs 0.20 10 308 4 ¹ s 3 ² s 4 ¹ s + ¹ s	Komag inc 14 7966 50 48 ¹ 4 48 ⁷ 6 - ¹ 4 Kulicius 95212 23 ¹ 4 22 22 ¹ 4 + ¹ 4	Repligen 0 476 1 ¹ 2 1 ³ 8 1 ³ 8 Repligen 88 2933 28 ³ 2 27 ⁷ 4 28 ³ 4
	DNA Plant 2.25 1 1709 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1		Resorbited 29 439 25 ³ 4 25 25 ³ 8 -58 Resound 9 949 8 ³ 8 7 ³ 8 8 ³ 8 +1
	Dores Hito x 0.68 18 473 12 11 4 11 1 1 1 1 1 1 1 1 1 1 1 1 1 1	- L - Langue 0.72 45 396 14 13 ¹ 2 14 + ¹ 4	Reuters 0.86 55 3232 565 56 56 56 4 14 14 Rher Fet 0.40 12 114 0264 265 265 255 15
	DressSam 12 568 91, 91, 91, 91, Drey 50 x 0.24123 40 331, 321, 331, 14	Ladd Furn 0.16 3 20 133 ₅ 133 ₆ 133 ₆ + 14 Lasa Resch 1123821 433 ₄ 42 423 ₄ -13 ₂	RoadwExpr 183 u18 16 ¹ 2 17 ¹ 2 + ¹ 4 RoAlget 0.12 9 6 6 6 6 - ¹ 4
	Drug Esopo 0.06 16 88 4 ¹ g 4 4 ¹ g US Bancor 1.09 13 458 27 ¹ 4 25 ¹ 2 27 ¹ 4 +1 ¹ 4	Lancester 0.60 16 1397 u384 374 384 Lancester 0.96 21 558 1612 1576 16 -12	Ross Str 0.24 14 6562 2014 1858 20 +14 Ross Str 0.24 14 6562 2014 1858 20 +14 Rotschilded 20 4155 2814 2714 2814 +12
	Durino 0.46 21 3315 26 25 ¹ g 26 Dynamich 29 582 17 ² g 17 17 ¹ 2 + ¹ g	Landanishph	RPM lat. 0.48 18 1275 16 ¹ g 16 ¹ g 18 ¹ g - ¹ g RS Fin 0.60 20 50 u40 39 ² g 40
		Landon S 19 8133 34 31 % 33 % +1 Landon Pr x 0.52 14 147 24 % 24 2 24 %	Ryen Findy 11 804 73 ₈ 7 7 -1 ₄
	-E- Eagle Fd 2 442 17 15 17 18	LDICO 0.16 0 502 2½ 2½ 2½ 2½ 1½ 1½ Lecitions 22 3070 7½ 6¾ 7 -¼ Life Tech 0.20 17 49 25 24½ 25 +½	- S -
:	EastEowent 11 z100 1½ 1½ 1½ 1½ 1½ EC2 Tel 0.05 20 7038 23¾ 22 23 +1 Egghead 55 696 6½ 655 63 +32	Lifetine 25 437 12 11½ 11¾, Lifetine 25 437 12 11½ 11¾,	Safeto 1.06 11 4580 35% 35 35% Safetorith 84 102 437% 36% 37% -%
!	BectrSci 18 431 27 261 ₂ 27 +1 ₂ Bectrb6 1.44 4 33 437 ₈ 435 ₈ 437 ₈ +1 ₈	Lincola T x 0.60 17 685 u21 12 20 14 21 12 +14 Lincola T x 0.60 17 685 u21 12 20 14 21 12 +14 Lincola T x 0.60 1775 u41 38 46 14 +3 LinearTec 0.16 2718012 36 14 33 12 35 12 +14 LinearTec	Senderson x0.20 13 661 11 10 ¹ 2 11 Schlanbyck 0.34 16 1035 23 ¹ 2 22 ¹ 2 23
	ElectArts 3316000 27 ¹ 4 26 ¹ 2 27 - ¹ 8 Emoton Ass 23 201 4 3 ³ 4 4 + ¹ 8	Liquidica t 0.44 15 13 30 ¹ 2 29 ¹ 4 30 ¹ 2 +1 ¹ 4 Lorwen Gp 0.10 27 770 35 ¹ 4 25 26 ¹ 8	SCI Systom 17:10754 307g 287g 297g +1 Schos 5 2288 47g 47g 47g +1 School Co 652375 1180 15 147g 15 +1
	Emulex 47 761 10% 610 10% 3g 3g SecoreCinp 0 1354 17g 11g 1% 1% 1/g EngyVatrs 35 5 23% 23% 23% 11g	LineStrSis. 42 4184 38 ³ 4 37 38 ³ 8 +7 ₈ Lone Ster 21 236 10 ³ 4, 9 ³ 4 10 ³ 4 - ¹ 8 LTX Cp 15 5796 8 ³ 9 7 ³ 4 8 ³ 8 + ¹ 6	Score Brd 14 380 55g 51e 51e -1e SanReid 1,20176 388 351e 335g 351e +11g
	Emissions 10 10 114 114 114 +124 115 +124 114 +124 114 +124 114 +124 114 +124 114 +124 114 114 114 114 114 114 114 114 114	LVMH 062 25 19 41% 41% 41% 41%	SEI Cp. 2 0.20 22 167 22 ¹ 4 21 ³ 4 22 ¹ 4 + ¹ 4 Seitein B 0.36 5 98 1] 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1
	EquatyON 0.10 50 17 5½ 5¾ 5½ Ericson 0.16 2538008 19½ 18½ 18½ 18% -16	- M -	Sequent 12 6120 14 ³ gd13 ³ 4 14 ¹ g + ¹ g Sequent 13 431 5 ¹ 2 5 ¹ 4 5 ¹ 2 + ² 4
,	Ethici 130 277 938 9 918 - 25 Brans Stn 16 473 2212 2112 2214 + 14	MCI Cm 0.05 4228509 26 ¹ 4 25 ³ 4 26 ¹ 8 + ³ 4 MS Car's 16 3884 19 ³ 4 19 ³ 4 19 ₁₈ 1 ² 6	Serv Tech 36 2 57g 57g 57g - 2g Servenson 0.22 10 2 1724 1724 1724
	Estatyte	Mac NBS 0.60 7 44 13 05 12 14 12 14 14 15 15 16 16 16 16 16 16 16 16 16 16 16 16 16	SimMed x 0.84 32 2381 53 $^{1}_{2}$ 52 $^{1}_{4}$ 52 $^{1}_{4}$ - $^{1}_{9}$ Shorewood 13 225 14 $^{7}_{9}$ 14 $^{1}_{2}$ 14 $^{7}_{9}$ + $^{1}_{9}$ Showbit P 39 386 12 $^{1}_{9}$ 12 $^{1}_{9}$ 12 $^{1}_{9}$ + $^{1}_{9}$
r	Expedit i 0.12 20 299 26 2512 26 +19 EzcorpAnv 3 294 518 518 518 118	Magna Grp 0.80 12 301 23 ³ 8 23 23 ³ 4 - ³ 8 Mail Bos. 19 273 13 ¹ 8 12 ³ 4 13 ¹ 8 + ³ 8	Signal 0.36 20 2248 51 ¹ 2 50 51 ¹ 4 +1
	- -	Marcana Cp 5 556 16 ¹ 4, 15 ¹ 4, 16 Marcae Cr 65 2174 16 ⁵ 9, 5 5 ¹ 4, + ¹ 4 Markel Cp 14 65 176 72 ¹ 2, 76 +3	Signation 2 2150 73, 73, 73, 73, -39 Signation 0.06 12 486 2132 21 21 -39 Signation 12 6572 22 201, 21 -34
١	- F - Fail Sup 19 107 7 6-3€ 7 +-3₅	Marrotta 79 25 834 834 834 MarshSmkA 0.44 12 16 1314 1314 1314 - 14	SBCccVGp 13 9533 22 2014 21 -3g Simpson 0.40 11 186 95g 93g 95g SmbbleryT 10 10 41g 35g 35g -12
1	Ferr Cp 0.24 12 211 834 758 838 +78 Fastered 0.02 51 5850 37 3412 3434 -34	Marshall 0.66 13 1931 25 ¹ 2 24 ⁷ 6 25 ³ 6 + ¹ 4 Massac 109 807 12 ¹ 6 11 ⁵ 6 12 + ¹ 6	Smitseld 29 1231 31½ 29½ 29½ -1¼ Software? 2 1060 3½ 3¼ 3¼
	FHP Intil 288 1752 283 ₃ 285 ₃ 287 ₃ -3 ₈ Fifth Timut x 1.56 16 1120 703 ₅ 693 ₂ 70 -3 ₄	Mandan let 47 8098 37 ¹ 2 33 ¹ 2 36 ¹ 4 +2 ¹ 2 Mandar Co 4 753 6 ¹ 1 6 ¹ 2 6 ¹ 2 +1 McGrath R 0.48 12 13 u19 ¹ 2 18 ⁷ 2 18 ¹ 2 +1	Southist 0.80 11 1450 26 25 ⁵ 8 25 ⁷ 8 Spiegel A 0.20 23 1669 8 ¹ 8 7 ⁷ 8 8 ¹ 4 -1
	Fifty Def 1 326 12 12 13 14 15 15 15 15 15 15 15 15 15 15 15 15 15	McCormic x 0.56 36 890 24 ¹ 4 23 ² 4 24 ¹ 8 Medex inc 0.16 45 34 11 ¹ 4 11 11 ¹ 4	Sprginss 180 6710 47 40 ¹ 4 45 + ⁷ 8 St.Judelid 0.40 34 8903 u44 ¹ 9 42 ¹ 9 42 ¹ 9 - ³ 9 St.Pau6e 0.30 13 529 25 ¹ 4 24 ¹ 4 25 - ¹ 8
	First Am 1.12 12 5043 48 ¹ 4 46 ¹ 4 46 ¹ 8 -1 ¹ 2 Fet Secty 1.12 12 1003 37 ¹ 4 38 ¹ 2 38 ² 5 -5 ₈	Meiamina 0.24 12 118 9 8¾ 8¾49 Mentor Cp x 0.10 26 1200 21½ 21¾ 21¾ +¼ Mento 0.24 19 8529 16⅓ 15⅓ 18 -⅓	StryBi 1 45 12 12 12 12 12 12 12 12 12 12 12 12 12
	Fat Team 1.88 13 1368 60 ³ 8 59 ³ 4 60 ³ 4 - ¹ 2 Firstler 1.20 14 380 43 ¹ 2 42 42 ⁷ 8 - ⁷ 8	Mescant.B 0.92 13 1845 27 ⁷ 8 27 ⁵ 8 27 ⁷ 8 Mescantit 4 1876 20 ¹ 2 20 20 ¹ 2 + ³ 8	Starbucks 5026210 18 167g 18 +1 Sat Micro 29 2186 187g 1674 167 ₂ -1 ₄
	Fixtment 1.50 20 483 29 ¹ 2 28 ³ 4 28 ³ 4 - ¹ 4 Fixtment 24 1503 u26 ¹ 4 24 ³ 4 25 ³ 4 + 1 ³ 8	Mercury G 0.80 15 461 47 ¹ 2 46 ¹ 2 46 ³ 4 - ⁷ 8 Merioten 1.48 15 3321 45 ³ 4 45 ³ 8 45 ¹ 2 + ¹ 8 Merioten 1.4 554 4 ⁵ 8 4 ³ 8 4 ⁵ 8 + ¹ 8	Stof Regis 0.76 12 319 21 ¹ 2 20 ¹ 4 21 ¹ 2 +1 Steef Tec 0.08 19 1954 11 ⁷ 6 10 ¹ 2 11 ¹ 4 + ¹ 2 Stokhrusa 0.20 5 593 5 ¹ 4 5 5 ¹ 4
	Reary 27 1931 29½ 2	Messa Air 22 2728 9 ¹ 4 9 9 ¹ 4 + ¹ 4 Messack 0.16 14 883 14 ² 4 14 14 ² 2 - ¹ 4	Stole 7 100 20 ³ g 18 ⁷ g 20 ³ g + ¹ g Strater Cl x 1.10125 488 24 ¹ 2 23 23 ³ g - ³ g
	Foremost 1.08 14 23 524 503 524 +12	MFS Cm 12 3321 50 4734 4812 +34 Michael F 0.20 13 15 1178 1158 1178 +34	StructiDy 30628085 25 ³ 8 23 24 ¹ 2 - ¹ 2 Stryker 0.09 31 4965 54 ³ 8 51 ⁵ 8 53 ¹ 8 +1 ¹ 4
	Forschiner 21 43 12 ⁵ 8 12 ¹ 4 12 ¹ 4 -1 ² 4 Forster A 6 36 4 ¹ 4 4 ¹ 8 4 ¹ 8	MECTRORE 418 796 8 ¹ 2 8 ¹ 4 8 ³ 5 ⁻¹ 4 MECTRORE 39 2122 25 ¹ 2 24 25 ¹ 2 + ³ 4 MECTRORE 68 4381 13 ⁵ 2 12 ¹ 2 13 ³ 2 +1	Sufficient 13 516 10% 10% 10% 10% +\frac{1}{2} Summacros x0.80 1 7 u25\frac{1}{2} 25\frac{1}{2} 25\frac{1}{2} +\frac{1}{2} Summacros x0.80 15 1885 31\frac{1}{2} 31 31\frac{1}{2} +\frac{1}{2}
	Firth Fin 1.16 17 391 40 ¹ 2 39 ¹ 2 40 - ¹ 2 Fist Fin 0.48 10 410 22 ¹ 2 22 22 ¹ 6 - ¹ 6	Microolis 1 5016 4 ³ 8 4 4 ³ 8 + ¹ 8 Microolis 3338714 87 ⁵ 8 86 ¹ 8 86 ³ 8 -1	Summit Te 108 5486 34 ¹ 4 31 33 ¹ 2 +1 ¹ 4 Sun Sport 8 32 2 ¹ 2 2 ⁷ 2 2 ⁷ 2
	Fish Hamari 1.18 12 390 30 291 ₈ 29 ₁₆ -16 Fusier HB 0.64 14 1623 353 ₆ 351 ₈ 351 ₄	MEG AS No. 16 131 22 ¹ 4, 21 ⁵ 8 21 ⁵ 8 - ¹ 9 MACNAGRAS 0.50 81 16 14 ³ 4, 14 14 ³ 4, + ³ 4 MARKETH 0.52 88 283 30 ¹ 2 28 ³ 4 30 ¹ 8 - ¹ 2	Sunthfic 2089459 43 38 ¹ 2 40 ¹ 2 Suiton Rs 220 154 11 10 ¹ 4 11 +\frac{11}{2}
	Fulfront In 0.68 13 230 21 4 20 2 21 4 + 34 Fulfront In 0.68 13 11 14 14 14 14	Million 425 33 ¹ g 32 ³ g 33 ¹ g - ¹ g Million 0.10 27 460 20 ³ g 20 20 ³ g	Swift Tra 17 420 16 ¹ ₂ 15 ³ ₄ 16 ¹ ₂ + ³ ₄ Sytume Inc 218 9876 35 ¹ ₄ 34 ¹ ₂ 35 ¹ ₈ - ¹ ₈
		Modelle Tel 2715822 20 4 19 4 30 5 +3. Modern Co 0.20 22 180 u11 12 10 4 11 12 +3.	Symmetric 1581567 18 ³ 4 16 ³ 8 16 ⁷ 8 -2 ¹ 2 Symmetry 0.32 11 562 20 ¹ 2 18 ¹ 4 19 -1 ³ 4 Symmetry 239 431 28 ³ 4 27 ¹ 2 28 ³ 4 + ⁷ 8
	- G - 6 8 App 2 59 2³4 2⁵8 2⁵8 -}s	Modine M7 0.60 11 548 253, 2432 253, +3, 1 Molena 0.06 1300 32 313, 313 _{8 -32} Molena inc. 0.06 25 830 3332 323, 333 _{8 +1}	Synetic 239 431 28 ³ 4 27 ³ 2 28 ³ 4 + ⁷ 8 SystemSoft 0.10 28 7211 21 ³ 2 18 ³ 4 21 ³ 4 + ¹ 1 ⁸ 5 SystemSec 69 1265 15 ³ 4 d14 ³ 4 15 ³ 4 + ¹ 2
	66K Serv 11.07 27 645 25 ¹ 2 25 25 ¹ 2 - ¹ 4 Samtos 2 273 2 17 ₆ 17 ₆ Samtot Rs 2 43 13 ₄ 11 ₂ 13 ₄	Moscom 0.04 72 579 838 8 8 -34 Moscome P 0.36 12 2100 2434 2434 2434	Systemed 26 3464 5 ¹ 4 4 ¹ 4 5 ¹ 4 + ¹ 2
	Garnet Rs 2 43 134 132 134 Ghway2000 1117805 2234 21 2238 +32 Gehl Co 0.16 5 24 734 7 7	MITS Sys 0.56 13 195 32 4; 31 ½ 31 ½ Mycogen 17 648 15 ½ 14 ¼ 14 ½ -5g	- T -
1	Gent Bind 0.42 17 259 20 19 ¹ 2 20 + ¹ 4 Gentyla 12 114 5 ¹ 4 6 ⁵ 8 6 ⁵ 8		T-Cell St: 4 1246 3 ¹ 4 3 3 ¹ 4 + ¹ 2 T_rowe Pr z 0.84 20 3524 47 ³ 4 48 ³ 4 47 ¹ 4 - ³ 2
١	GenskaPa 4 3089 5½ 4½ 5¼ 1½ Gentex Cp 4,00 21 119 22½ 21½ 21¾ 14	- N - NAC Rex 0.20 12 20 36 36 36	TBC Cp 12 167 8 ¹ 2 8 ¹ 4 8 ¹ 2 + ¹ 8 TCA Cable x 0.56 24 384 28 ¹ 8 27 ¹ 4 28 ¹ 8 + ¹ 2
1	Genus inc 15 1417 8 7 ¹ 4 8 + ³ 8 Genzyme 42 6540 65 ¹ 2 63 ¹ 2 64 ³ 4 + ¹ 4	Nash Frich 0.72 11 207 18 ¹ 2 18 18 ¹ 6 + ¹ 6 Net Compt 0.36 19 1233 18 ³ 4 17 ¹ 5 18 ¹ 4 Nors Sun 0.20 29 321 25 23 25 +1	TC2 GpA 10243966 2134 2134 2132 -38 TechData 30 4933 1434 1358 1438 -34
ļ	Geotek Can 5 3773 7 ³ 2 6 ⁷ 2 7 ¹ 2 + ¹ 2 Gebson Gt 0.40 4 62 15 ⁷ 2 15 ¹ 2 15 ⁵ 3 - ¹ 4 Geotenus 0.12 11 3015 16 ¹ 2 15 ³ 4 16 ¹ 3 - ¹ 4	None Sun: 0.20 29 321 25 23 25 +1 ! Newigator 6.00 17 68 18 17 ¹ 4 18 + ¹ 4 NEC 0.46 47 139 62 ¹ 4, 62 ¹ 8 62 ¹ 8 - ¹ 4	Tecument 1.00 9 34 52 51 ¹ 4 51 ² 4 - ² 4 Teksio: 13 936 10 9 ¹ 2 9 ² 4 + ¹ 4 Teksio: See 31 250 11 ³ a 10 ⁷ a 10 ⁷ a - ¹ 2
j	Gibert A 0.80 3 266 12\(\frac{1}{2}\)d11\(\frac{1}{2}\) 11\(\frac{1}{2}\) -\(\frac{1}{2}\) Gish Biom: 22 44 8\(\frac{3}{2}\) 7\(\frac{3}{4}\) 8 +\(\frac{1}{4}\)	Nestor 293 3508 59 ¹ 2 58 58 ¹ 4 + ¹ 8 Neostar 9 518 7 ¹ 8 6 ¹ 4 6 ¹ 4 · ³ 8	Telebit 5 6271 41, 37, 41, Tellebis 3217072 37, 33, 37, 21, 14, 14, 17, 18, 18, 18, 18, 18, 18, 18, 18, 18, 18
1	Good Guys 8 370 9 834 9 +1g GoodsParp x0.80 22 165 25 245g 25 +1g	Netscape 10062.14234 1271.3934 +832 Netwik Gen 22.1634 315g 307g 31 -3g Neuropen 37.1216 2532 25 25 -34	Tetrom Cp 0.01 29 5345 21 2 19 4 20 2 Tetro Tec 25 483 17 3 17 17 3 + 3
١	Gradustys 11 670 31 ₂ 25 ₈ 37 ₈ +7 ₈ Grantia x 0.30 13 67 297 ₈ 295 ₈ 297 ₈ -1 ₄	New image 1 8 2 ¹ 2 2½ 2½ Mbrdgeliet 24 1229 44 ¹ 8 48 ⁵ 8 44 ¹ 8 +3 ¹ 8	TeresPhADR 0.10 30 3618 45 44 ² g 44 ² g + ³ g Three Cost 4240955 44 ² g 42 ⁵ g 44 ¹ g + ¹ g Ti 18 349 9 ¹ g 8 ⁵ g 8 ³ g - ¹ g
	Green AP 0.28 8 90 1934 1834 1834 -14 Grossmans 53370 115 615 1 -15 Grad Wit 29 47 1434 1334 1334	Newport Cp 0.04 19 26 8 ¹ g 7 ⁵ g 8 ¹ g + ¹ 2 NewtoniCmA 12 5310 15 ³ g 14 ⁷ g 15 ¹ 4 + ¹ 8 Nobia Dai 47 7857 8 ⁵ g 8 8 ¹ 2 - ¹ g	TH 18 348 9½ 85 8¾ -¼ TJ±x 2 0.22304 95 18¼ 18 18½ Toxid-AO x 0.06 23 4 9½ 9½ 9½ 14 14
ı	GTI Corp 37 563 16 15 ¹ 4 16 + ¹ 2 GWMY Swg 15 365 12 11 ⁵ 2 12	Nordson 0.64 19 218 58 ¹ 2 55 58 ¹ 4 + ¹ 4 Nostron 0.50 19 8914 42 ¹ 2 41 ³ 4 42 - ¹ 8	Tokus Med 12 449 9 834 9 438 Tokyo Mer 0.40 23 17 669 68 69 432
	Gymborce 1422633 15 ¹ gd14 ³ g 14 ¹ g +1.6	Monsten i 14 22 25 12 25 25 -12 N Ster Un 129 70 7 14 7 14 + 18	Tom Brown 46 58 14 ¹ 2 14 ¹ 8 14 ¹ 2 + 1. Topps Co 0.28 35 1052 6 5 34 6 + 14
	- H -	Harmatist 1.04 15 5273 534, 524, 527, -1,2 HAW Air 13 2072 52 ⁵ g 517g 52 -1 Hayesi 1615973 15 ¹ g 14 ¹ g 15 +1,	TP: Enter 8 141 3½ 2½ 3 Transferrid 1 436 2½ 2½ 2½ 2½ +5g Transcend 70 361 6½ 55 55 55 -3g
İ	Hrdingi.aw 9 5 8 ¹ 4 6 ¹ 4 6 ¹ 4 Higginyyri 0.76 11 59 32 ² 4 31 ² 4 32 ² 4 + ³ 8	Novellus 1215214 56 5034 5334 +12 MPC Int 12 230 738 738 738	Transition 1.12 13 27 56½ 55½ 56½ + 78 Trinable 28 858 19½ 18½ 18½ 18% + ½
	Herper 8p 0.22 15 137 173, 17 173, Harrie Crap 135 7 14 13 ¹ 2 13 ¹ 2 - ¹ 8	NSC Comp 8 12 2 114 114 -18	Truevisn 11 4278 5^{1}_{8} 4^{7}_{8} 5^{1}_{18} Trustcollec 1.10 15 92 22 2^{1}_{8} 22 $+^{1}_{8}$
	H90 & Co × 0.16 5818706 721 ₂ 681 ₂ 701 ₈ + 1 ₄ Healthcar 24 5343 442 ₄ 421 ₄ 435 ₈ + 5 ₈	-0- {	Teeng Lab 0.20 43 315 91 ₂ 94, 91 ₂ TyeFdA 0.08 16 1843 253 ₈ 25 25 4,
	Healthers 0.06 16 897 9 ¹ 4 9 9 ¹ 5 + ¹ 2 Hubsanine 287 182 8 ³ 4 6 ⁵ 5 8 ⁵ 5 HabhainTeis 30 431 11 ³ 4 11 ³ 2 11 ³ 4 + ¹ 2	OCharteys 10 357 14 ¹ 4, 13 ¹ 2 13 ¹ 2 - ³ 4 Octai Com 22 1920 31 ¹ 8 30 ³ 4, 30 ⁷ 8 - ³ 8 Octaics A 11 20 8 ¹ 2 6 8 ¹ 2	- U -
Į	Hechieger 0.16 5 1230 458 438 458 Heides 10 2178 952 9 952 +32 1	Officials 15 566 13 ¹ 2 12 ⁷ 8 13 ¹ 2 + ³ 8	US Hither 1.00 1813450 45 4334 4418 -78
ĺ	HeatenTroy 12 18 20 ³ g 20 ¹ g 20 ³ g - ³ g Heaten 0.60 15 215 9 ³ g 9 ³ g 9 ³ g + ³ g	Onlocs 1.52 21 1051 3844 3742 38 Old Kent 1.24 12 1761 3958 3878 3978 -38	United 15 2430 2 ³ g d2 ¹ 4 2 ² g UChiesGs 1.02 28 86 18 ¹ 2 17 ³ 4 18 - ¹ 2 United St 0.40 63 11 27 ³ g 27 ¹ 4 27 ³ g + ¹ g
١	Hospan Sys 0.15 21 785 12 ³ 4, 12 ³ 8 12 ³ 4 Hologic 84 682 37 ¹ 8 36 36 ¹ 8 -1 ¹ 8	One Price 46 185 3 ¹ 4 3 3 ¹ 4 + ¹ 8	Uniting 0.10 20 8 24 ³ 4, 24 24 ³ 4, + ⁵ 8 Uniting 2.00 12 434 47 ¹ 2 47 47 ¹ 4
ł	Home Berd 0.84 11 666 2434 2332 2434 +134 Hom lade 0.48 14 116 2434 2334 2334 Hombeck 37 236 1832 1872 1832 -13	Orb Scace 56 837 134 13 13 -4	US Bencep 1.12 12 9818 32 30 ⁵ g 30 ³ g -1 ₁ ² g US Energy 17 133 5 ¹ 2 5 ³ g 5 ³ 2 + ¹ 4 US Sents 2 47 4 ¹ 4 3 ³ 4 4 - ¹ 2
	HorseinRes 0.44 15 9 412 414 412 +18 Hund JB 0.20 40 313 1614 1514 16 -14	OschoSupp 16 710 20 1912 1912 -14	US Servis 2 47 4 ¹ 4 3 ² 4 4 ¹ 8 US Tot 1.00 45 783 49 48 ¹ 2 49 ¹ 2 UST Carp 1.12 28 136 14 ¹ 4 13 ² 6 14 ¹ 4 + ¹ 2
ŀ	Herritogen 0.80 14 1888 24 23 4 23 4 - 1 Herrito Co 0.08118 120 4 4 4 4 4 4 4 1 8	Orthofix 8 1439 93, 9 93 ₈ Oshep 9 50 3 3 3	Utah Med 24 1217 19 ¹ g 18 ⁵ g 19 - ¹ g Utal Telev 0.50 23 50 90 ¹ 4 89 90 ¹ 4 - ³ 8
1	HutchTech 11 1203 47 ¹ 4, 45 45 ¹ 2 - ⁵ 8 Hycor Sto 19 350 45 ₈ 43 ₈ 45 ₈ + ¹ 4		UBIX 6 45 2½ 2½ 2½ +½ UUNINSTEC 430 5172 58¾ 53¾ 56 -2
	-1-	Oxfroiration 5313270 74 ¹ 4 69 ¹ 4 69 ¹ 4 -5 ¹ 8	- V -
-	 6FR Sys 20 81 10 9 ³ 6 9 ³ 8 6S into: 1 184 1½ 1½ 1½		- Y - Value out x 0.30 14 39 25 ¹ 4 24 ¹ 2 25 ¹ 4 + ¹ 4 Vagrd Cell 62 512 19 ¹ 4 419 ¹ 2 19 ¹ 2 - ¹ 4
	immancar 26 412 10 95g 95g 12g Immanogen 2 4308 31g 212 31g +.49	Paccer 1.00 7 2898 45 44 4 44 4 Paccerning 0.61 11 82 9½ 9¼ 9½ ¼	ventrities: 26 6548 1734 1634 1734 Ventrities: 26 6548 1734 1634 1734 Ventrone: 21 98 2938 2658 2858 -32
1	Impert Bc 0.40 19 323 23 ² 4 22 ² 4 23 ² 4 + ¹ 2 Ind Ins 0.24 24 172 127 ¹ 2 27 27 ¹ 4 + ¹ 4	Pacificre 23 556 91 ³ g 86 ³ q 86 ³ 2 -6 ³ 2 Parametr: 4818288 60 57 ³ q 58 ³ q + ³ 2 Parametr: 0.24 51 5584 m505 45 ² g 505 47 ² g	Vicor 30 1836 20 ¹ 2 18 20 ₁₄ + 15 VicorpRet 20 278 10 8 ¹ 4 10 + 14
]	tot Res 21 1091 18 ¹ g 12 ³ g 13 + ¹ g 16formbs 4434684 30 ¹ g 27 ¹ g 29 ¹ 2 +1	Payco Asn 16 50 8 ¹ 2 9 9 ⁻¹ 2 Peerless 0.50 44 5 9 ³ 8 02 ⁷ 8 9 ¹ 4	Viewtogic 32 397 10 ¹ g 97g 10 ¹ g + ¹ g VI.SI Tech 17 9767 16 15 ³ 4, 16 ¹ g
	Inglesific x 0.65 12 61 11 ¹ 2 11 ¹ 8 11 ¹ 2 https://doi.org/10.101/10.1	Penn Trty 10 68 u16 1/2 16 16 1/4 + 1/4 Penn Virg 1,80 11 93 33 32 1/4 32 1/4	Volvo B 0.39 8 1608 207g 205g 2034 -3g
	Integration 1348 124 13 76 Integration 1348 134 135 12 1374 Integration 1348 136 12 1374 Integration 1348 136 1376 1374 Integration 1348 1376 1376 1376 1376 1376 1376 1376 1376	Pentair 0.80 16 1092 49 46 ⁵ 8 49 Pentach 20 118 2 ¹ 8 2 2 2 Penness L 0.20 23 144 24 ¹ 4 23 ¹ 2 24 ¹ 4 + ¹ 4	- w -
	Indel 0.16 1650632 59 ³ g 56 ³ ų 57 ³ 2 Indeli 13 38 1,7 1 ³ ų 1 ³ ų - ³ g	Peoples H 0.52 11 1147 21% 20% 2118 -58 Peorligo 23 2725 13 1214 1214 +12	Warmy Lab 6 786 16 ¹ 2 16 16 ¹ 2 + ¹ 4 Warmer En x 0.12 14 409 21 ¹ 2 21 21 ¹ 2 + ¹ 4
	Indignite: 0.48 10 569 6 ¹ g d6 6 ¹ g + ¹ g Inter Tel 21 1929 14 ¹ g 13 ¹ 4 14 ¹ g - ¹ g	Petrolin x 1.12 50 116 27 4 26 4 27 4 + 4	Warrestech 23 250 4 ¹ 2 4 ³ 5 4 ¹ 2 Waterland 0.25 14 1000 23 ¹ 2 23 ¹ 2 23 ¹ 2 + 1 ² 5 Waterland 0.4 0.25 25 25 25 25 25 25 25 25 25 25 25 25 2
	Interior 0.24 17 280 173 17 173 - Integra 10 3562 157 145 1534 +5	PhysiCpAm 20 9577 17 ¹ g 16 ¹ 2 17 +7 ²	Wausau PM 0.28 25 235 26 ¹ 4, 25 ¹ 2 26 ¹ 4 + ¹ 4 WD-40 x 2.48 16 369 42 40 ³ 4, 42 + ¹ 2 Waitek 3 167 3 ¹ 4, 3 ¹ 8, 3 ² 6 + ¹ 4
	Interfect 5 1290 9 ¹ g 8 ³ 4 9 ¹ g Intersive 112 1640 1112 1034 1114 1150000000 19 1653 1815 1734 1815 141	Picturete 86 4819 40 ² 8 38 39 -5 ₈ Pinkerton 19 29 20 ¹ 4 19 ¹ 2 20 ¹ 4	Western Bric 0.80 13 779 844 4314 44 +34 WistPub 2 845 838 778 839 +12
	IntDairyOA 16 89 2314 2212 2314	PioneerSp 0.40 27 444 2812 27 2714 +14 PioneerSp 0.80 23 72 5214 5112 5132 -5g PioneerSp 0.83 03502 23603 4 4 4 7	Weighth 3 968 20 ³ 8 20 ¹ 6 20 ¹ 4 + ¹ 4 Wei Seal 7315916 7 8 ¹ 2 8 ⁵ 8 - ³ 8
	Transcare 2 0.05 24 2167 25-4; 24-2; 24-4; 3-4; 10mege Cp 497518592 4959 4554 4854; 3-4; 180mege C 13 8 1478 1434 1434 3-4;	Phoer 2185 25월 24월 25월 4월 Phoesiak 0.12 7 2 11월 11월 11월	Wileste 1.20 6 2436 58 ¹ 2 55 ¹ 2 56 WhoeSonoma 54 3463 18 ¹ 8 17 ⁵ 8 18 ¹ 8
1		Present 15 41 81 72 81	Wolchan L 0.28 10 74 9% 8% 9% 9% Workings 861651310984 35% 35% 35% 34

| Wilsonton | 1.20 | 6.2436 | 58-12 | 558 | 558 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559

-X-Y-Z-

9 31770 u4] 44 42 0.94 87 1046 12% 12 12\ 34 1494 7\2 8\4 6\4 x 1.64 14 301 74\2 74 74\2

3415/33 31 4 28 2 31 3 +2 3 2112 12 4 113 117

Gain the edge over your competitors by having the Financial Times delivered to your home or

MONDAY

British poll on EU



The European Movement publishes an opinion poll on UK sentiment towards the European Union and European monetary union. The poll tests

understanding of the single currency debate and attitudes towards the different routes the UK might take. It is expected to show people remain sceptical about full membership.

CSU holds congress

The Christian Social Union, based in Bavaria and the conservative sister party of Chancellor Helmut Kohl's Christian Democratic Union, starts its New Year congress. High on the agenda will be European monetary union as well as calls to reduce German taxation and cut back state spending. The CSU will also warn it will not support a grand coalition embracing Bavaria's governing party, the CDU, and the opposition Social Democrats. Mr Kohl cannot afford to isolate the CSU given his slim majority in the Bundestag and the weakness of the Free Democrats. his coalition partners.

Chretien leads trade tour Canada's prime minister, Jean Chretien, senior trade officials and 250 businessmen embark on an 11-day tour to India, Pakistan, Indonesia and Malaysia. Mr Chretien's "team Canada" trade mission. the third in just over a year, follows lucrative visits to Latin America and

Looks a lot like Che Guevara



The hunt for the remains of Che Guevara, the revolutionary who fought alongside Fidel Castro in Cuba before being shot dead by the CIA and Bolivian army, resumes in

southern Bolivia. The search for the 1960s icon, after whom a beer has been named it Britain, started after two retired generals said he was buried near the village of Vallegrande. The discovery of unidentified human bones and a skull has excited the local tourist industry, with the mayor planning to rebury Guevara in a potentially money-spinning mausoleum.

FT Survey The Revitalisation of South London.

Holidays Colombia, Moldova, Puerto Rico. Russia,

TUESDAY

UK parliament back

MPs return after their Christmas recess for a Commons session likely to be dominated by speculation about an early general election and the erosion of the

ALLOW ME! Facilities

Ryutaro Hashimoto, leader of the Liberal Democratic party, hopes to win enough support to take over from Tomilichi Murayama as Japan's prime minister

shrinking majority of John Major, the prime minister. Among the pitfalls awaiting the government will be rail privatisation and the publication, probably in February, of the much-delayed final report of the Scott inquiry into arms sales to Iraq in the 1980s.

Rifkind presses China

Malcolm Rifkind, the UK foreign secretary, visits China (to Jan 11). He is expected to urge China's leaders to retreat on plans to dissolve Hong Kong's elected parliament and dilute its human rights laws. Mr Rifkind, who is also expected to express dissatisfaction with the pace of progress on settling issues relating to port development and aviation, arrives in Beijing amid signs of a thaw in Sino-British relations.

US income tax

The National Commission on Economic Growth and Tax Reform, appointed by the Republican congressional leadership, presents its recommendations for changing the US income tax system at a meeting in Washington. The group is headed by Mr Jack Kemp, former housing secretary in the Bush administration.

Dini's future debated

The Italian parliament debates the future of Lamberto Dini, the prime minister. amid calls for his resignation by a rightwing alliance headed by Silvio Berlusconi, his predecessor, Mr Dini's resignation offer was turned down by the president, Oscar Luigi Scalfaro, who referred the matter to parliament. It is understood the hardline stance against Mr Dini's 11-month-old

technocrat government has been imposed

on Mr Berlusconi, the leader of

the Forza Italia movement, by

the National Alliance, which wants a snap general election.

Granada deadline for Forte

Today is Granada's deadline for raising its £3.3bn hostile offer for Forte, Britain's largest hotels company. The bid was launched in November and if

successful would be one of the country's biggest deals this decade. The television and leisure company is offering four new shares plus £23.25 in cash for every 15 Forte shares, worth 325p a share at the weekend's close. There is a fully underwritten cash

alternative of 321.67p.

Forte has mounted a robust defence including proposals to sell off its stake in the Savoy group of hotels. It also intends to buy back up to £800m of its shares and increase the dividend for four consecutive years if the bid fails.

Clarke visits Brazil

Kenneth Clarke, the UK's chancellor of the exchequer, visits Brazil for the first time to find out more about its privatisation programme, Mr Clark will meet the president, Fernando Henrique Cardoso and the finance minister, Pedro Malan. He will travel with bankers and representatives from the UK's privatised utilities and visit Brasilia, Sao Paulo and Rio de Janeiro. Although Brazil's privatisation programme has started slowly, it is potentially one of the largest in the developing world. The government hopes soon to

Statistics to be released this week

sell some mining, electricity and

telecommunications holdings.

Star class world championships, Rio de Janeiro, Brazil (to Jan 21).

Holidays Panama.

WEDNESDAY

Christopher in Israel Warren Christopher, US secretary of state, arrives in Israel on his sixteenth Middle East shuttle to push ahead talks between Israel and Syria. Mr Christopher's visit comes amid intense Israeli-Svrian negotiations after two rounds of talks in Washington. Mr Christopher will try to nudge both sides towards a peace agreement focused on Israeli withdrawal from the occupied Golan Heights in return for full peace. Hopes are high Mr Christopher may persuade them to upgrade their representation to foreign minister level and nail down a timetable for negotiations between working groups.

Saieroom



More than 100 works of art belonging to the late Sir John Pone-Hennessy will be sold at Christie's, New York. "The Pope", as he was nicknamed, was the

0.4%

0.3%

0.2%

0.8%

0.9%

wich

0.1%

commanding figure in the British cultural world of the 1960s and 1970s, when director of the Victoria and Albert Museum and then the British Museum. Most items reflect his love of the Italian Renaissance, "The Baptism of Christ" by Mola, bought for a few pounds in 1946, is on offer and expected to make about \$120,000 (£78,000).

Dec retail sales (postponed)

Dec cons'r price indx (postponed)

Dec retail sales ex-autos

Dec CPI ex-food & energy

King Husseln in Israel

King Husseln of Jordan makes his first official state visit to Israel. After a ceremony in northern Israel honouring Israeli and Jordanian peace negotiators, he will visit the Tel Aviv site where Yitzhak Rabin, the former prime minister, was assassinated. The King's visit marks a further step in the consolidation of relations between Israel and Jordan. It clears the way for the conclusion of the bilateral agreements needed to normalise economic, transport and cultural relations.

UN General Assembly jubilee



After a year in which the United Nations' golden jubilee celebration helped to promote New York as the self-proclaimed "capital of the world", London hosts a more modest event marking the 50th

anniversary of the first session of the UN General Assembly. Attended by representatives of the 51 member states that formed the UN - today there are 185 the inauguration was in Westminster Central Hall, the national headquarters of the Methodist church, which was displaced in order for the UN to be near parliament. Boutros Boutros-Ghali, the UN's sixth secretary general, will attend the commemoration at the same hall.

THURSDAY

Voting for Japan's new PM A special session of the Japanese parliament will choose a new prime minister to succeed Tomifchi Murayama. The favourite is Ryutaro Hashimoto, the eader of the Liberal Democratic party, the largest member of the current coalition. Mr Hashimoto's chance of success has been enhanced after yesterday's agreement by the leaders of Japan's three ruling coalition parties to endorse him. The coalition accord, which was made possible by a series of compromises by the

Bouchard to lead Quebec

policy manifesto.

LDP, also includes the new government's

Riding a wave of popularity in Quebec after Canada's independence referendum, Lucien Bouchard is expected to be the only contestant for the leadership of the Parti Québécois, Quebec's ruling party, for which applications close today. Mr Bouchard, 57, turned around the separatist campaign in the referendum from disaster into a very-near win. Just before Christmas he resigned from federal politics to return to Quebec, where a March by-election should give him a seat in the Quebec National Assembly and enable him to be sworn in as premier of Canada's only French-speaking province.

Holidays Aruba, Brazil, Morocco, Nepal.

FRIDAY 12

Age of Aquarius The Age of Aquarius, long awaited by astrologers and celebrated in the rock musical Hair, is ushered in when the planet Uranus enters its sign of Aquarius. Astrologers promise major developments.

Mastering Management



The FT's 20-part series continues in the UK edition with part 10. Non-UK readers can take out a subscription. Contact: PO Box 384, Sutton, Surrey, SM1 4XE, UK. Tel: +44 181 770 9772, Fax: +44 181 643 7330.

Holidays

Myanmar, Tanzania, Turkmenistan.

SATURDAY

Pope delivers annual address Pope John Paul receives ambassadors accredited to the Vatican and delivers his yearly "state of the world" address.

Horse racing Ladbroke Handicap Hurdle, Leopardstown. Ireland. Victor Chandler Handicap 'Chase, Ascot, England.

Rugby league Regal Trophy final, Huddersfield, England.

Holidays

Monaco.

 $\Pi \Pi$

SUNDAY

14

Sampaio enters election



Jorge Sampaio, a former Socialist party leader and mayor of Lisbon, enters Portugal's presidential election with a big lead in the polls over his main adversary, Anibal Cavaco

Silva. Mr Sampaio's popularity is believed to reflect a desire to give social and cultural issues more prominence after a era in which the governments of Mr Cavaco Silva, the former prime minister, focused on infrastructure, privatisation and the economy. Mr Cavaca Silva's decade as prime minister ended in October when the Socialists defeated his centre-right Social Democrats in a general-

Weizmann in Germany

Ezer Weizmann, the president of Israel. begins his first state visit to Germany (to Jan 16). He will meet Roman Herzog, the president - who travelled to Israel in December 1994 - attend ceremonies at a former concentration camp in Brandenburg, hold a public debate in Berlin and visit Saxony and Lower Saxony.

Cycling

British cyclocross championships, Sutton Park, near Birmingham.

Compiled by Simon Strong. Fax: (+44) (0)171 873 3194

Other economic news Tuesday: In the aftermath of the Christmas and New Year holidays, and the US government shut down, there will be only a limited supply of economic data to watch this week.

In Germany, December's

unemployment figures are expected to show a continued rise in both west and east German unemployment. In Spain, October's industrial production is expected to show

some fairly healthy year on year growth, although economists predict that the increase could be anything from 1.5 per cent to 6.4 per cent. Wednesday: Data on the UK's visible trade balance is

expected to show a further wid-

ening of the deficit in October. Thursday: Inflation data in France is expected to show a small month on month fall in December, leaving the yearly inflation rate unchanged. In Germany the publication of eagerly awaited GDP data is

about 2 per cent last year, although analysts expect that the fourth quarter was extremely weak. UK manufacturing is likely

likely to show that the pan-

German economy expanded by

to have shown minimal year on year growth in November.

1 Quality of unconcealed hospi-

	Day Released	Country	Economic Statistic	Median Forecast	Previous Actual	Day Raisased	Con
	Mon	US	Nov consumer credit	\$9bn	\$10.5bn	Fri	US
	Jan 8	UK	Nov final money data	-	N/A	Јал 12	US
		UK	Nov consumer credit	£750m	£872m		US
		Canada	Nov building permits*	2.0%	3.5%		UŞ
	Tues	US	Nov wholesale trade	-	-0.4%		UŞ
	Jan 9	Germany	Dec unemployment, West†	7,000	23,000		US
		Germany	Sep employment, West†	-12,000	-10,000	-	US
		Germany	Dec vancies, West	-	1,000		US
		Germany	Dec short-time, West	-	29,000		Jap
		Spain	Oct industrial production*	2.4%	0.7%		Spa
	-	Canada	Dec housing starts (units)	105,00G	104.000		Spa
	Wed	UK	Oct global visible trade	-£1.4bri	-£972m		Can
	Jan 10	Norway	Dec consumer price indx*	-0.25-	-0.1%	During th	16 W
•	 	Norway	Dec consumer price indx"	2.1%	2.1%		Jap
	Thur	US	Dec producer price indix (postponed)	0.3%	0.5%		Gen
	Jan 11	US	Dec PPI ax-load & energy	C.2%	C.4		Gen
		Germany	1995 gross domestic prod. West"	1.635	2.2%		Gen

2.0%

-01%

1.5%

0.1%

0.4%

0.6%

1.8%

US	Dec Atlanta Fed indx		-13.1
us	Dec real earnings	-	-0.4%
US	Dec bank credit	• .	1.6%
US	Dec C&I loans		. 8.9%
Japan	Dec Bank of Japan data	-	N/A
Spain	Dec consumer price indx*	0.3%	0.3%-
Spain	Dec consumer price indx**	4.3%	4.4%
Canada	Nov motor vehicle sales"	-1,3%	-7.4%
During the week			
Japan	Dec trade balance (1st 20 days)	-	\$4.5bn
Germany	Nov capital a/c	-	DM7.2bn
Germany .	Nov orders, West*	1.0%	-4.5%
Germany	Dec final cost of living, West* .		0.0%
Germany	Dec final cost of living, West**	-	1.5%
Germany	Dec fnl cost of living, pan-Germany		0.0%
Germany	Dec fril cost of living, pan-Germany	-	1.7%
Germany	Nov retail rales, real**	-2.0%	-5.0%
Germany	Nov retail sales'†	-	-4.0%
See!-	Dec M4 anni*	-	4.2%
Spain	_		

2.9% Rev

0.1%

1.9%

0.2%

0.9%

-2.9%

0.5%

tality (8) 5 A minor tax (6) 10 Cultivate sex appeal and a ligure (5) 11 Quite composed and skilled, to be fair (9) 12 A nuclear physicist who does

lissecting? (9) 13 Part of a flag, one shot to Dapers (3.3,9) pieces (5) 14 Reformed ladies show the

highest standards (6)
15 Old flame-coloured match-head in dug out (7) day's end (8) 18 A deerstalker's comedown (7) 20 Still used as a name for a U.S. 16 The means I contrived to conlake (6) 22 Place to rest up for Joey on

the way (5) 24 He doesn't complain if he gets a beating (4.5) 25 Somewhat eccentric rest 20 Though versatile, takes only

nome? (3,6)
26 Relation working in EEC (5)
27 Presumably he had a good reason for being late (6)
28 Drink I out down before 28 Drink I put down before going

1 French preposition in oral 2 A Briton around Greenland

Canada

Germany

France

France

UK

UK

UK

UK

1995 GDP, pan-Germant/

Nov manufacturing output

Nov manufacturing output**

Nov industrial production

Nov industrial production**

Dec raw materials price indx (actv)*

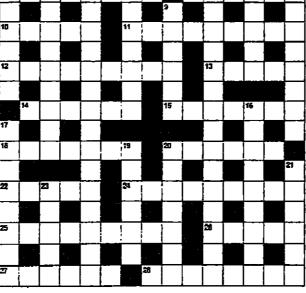
Dec consumer orice indx oreign*

Dec consumer price andx prelim"

3 Gamble on race - a chance to win lots of money (8.7)
4 Kind of gamble is without point (7) 6 Strike teacher, get punishment and feature in the

reacher taking part in Arab bicentenary celebration (5) There's a regular stream at 9 A loose nickname for the BBC

trol the sail (9) 17 Textile manufacturer's bequest to his son? (8) 19 Litter container (6)



MONDAY PRIZE CROSSWORD No.8,961 Set by DANTE

A prize of a Pelikan New Classic 380 fountain pen for the first correct solution opened and five runner-up prizes of 235 Pelikan vouchers will be awarded. Solutions by Thursday January 18, marked Monday Crossword 8,961 on the envelope, to the Financial Times, 1 Southwark Bridge, London SE1 9HL. Solution on Monday January 22, Please allow 28 days for delivery of prizes.

Name

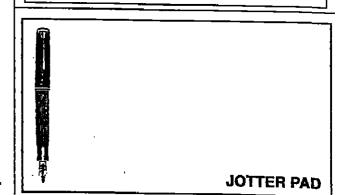
JOTTER PAD

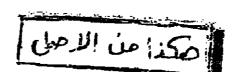
Start with a Strand of Tiffany Pearls

This is the foundation of a woman's jewellery wardrobe. Necklace with Tiffany Signature clasp in eighteen carat gold from £1,275. Earrings from £105.

TIFFANY & CO.

SINCE 1837 25 OLD BOND STREET, LONDON W1, 0171-409-2790





THIS WEEK

FT GUIDE TO

PRIVATISATION Who invented privatisation?

The British take credit for this widely admired policy innovation, introduced by the Thatcher government in 1979, although the International Monetary

Fund arguably has a prior claim since it imposed the British Petroleum share sale on a Labour government in 1977. Many Tory politicians have claimed credit. Former chancellor Lord Lawson says that the paucity of references to privatisation in the 1979 election manifesto reflected Lady Thatcher's lack of enthusiasm.

What were the practical consequences of the policy?

Proceeds to the UK Treasury will amount to £63bn (\$97.02bn) by the end of the 1995-96 fiscal year, and £7bn is expected during the following three years. By now 48 businesses and 950,000 jobs have been transferred to the private sector.

Has privatisation helped the economy? The change in ownership has been less important than introducing competition, which has often accompanied privatisa-tion. Disposals have increased public finances, while reducing political pressure on industries, so enhancing their profit-ability. For utilities such as water and

companies operating in competitive prod-uct markets, like British Airways and British Steel, it has liberated investment plans from the constraints of public spending, where capital spending is notoriously vulnerable to cuts.

Are consumers better off?

Yes, where there has been more competition. British Telecom will now install new residential telephone lines within 48 hours - a huge improvement. Where introduction of competition has been slower, as at British Gas, consumers are unhappy. In the water industry, where there is no competition, the customers are up in arms after price rises, much leakage, and shortages during a severe sum-mer drought. Water bills have been raised 5 per cent a year in real terms since 1989 to finance a big investment programme.

Is the regulation of privatised utilities

Individual industry regulators are independent of government and industry. They set price caps in relation to the retail prices index, which are reviewed at regular intervals. That has brought down prices in all industries, in real terms, apart from water. Efficiency gains have argue that a disproportionate amount of the unanticipated gains has gone to shareholders; more and earlier competition would have been better for the consumers. Britain's Labour party is proposing to give customers a share of any unanticipated profits above a "normal" level.

How have shareholders done?

Spectacularly well in electricity, where the regional electricity companies (Recs) proved capable of generating cash on a scale that neither the regulator nor the market had expected. The gaffe was blown when Recs forecast vast profit increases in response to predatory takeover bids. Performance has not been very different from the market average in telenunications and gas, better in water.

Has privatisation helped wider share

The number of shareholders has risen from 3m in 1979 to 10m last year. Yet about half own only one share and most of the rest hold so few shares that their portfolios are inadequately diversified. The paradox of privatisation is that collective ownership increased throughout the assets run down, as the easiest are sold Thatcher period, largely because of tax first. Even Mrs Thatcher thought British

also exceeded expectations. But critics incentives for occupational pensions.

Who are the biggest winners?

Directors, many of whom have enjoyed huge pay increases and options amounting to a risk-free punt on shares that were often sold off cheaply by the government.

Who are the biggest losers? Efficiency gains have been won largely at the expense of employees, who have been sacked in their thousands

What are the politics of privatisation?

Tricky. Consumers wield more votes than directors or shareholders. When service is improving, there is a political harvest to reap. But when shareholders are perceived to be winning at the expense of consumers, as in water, or where direc-tors are getting fat when employees are being sacked and consumers are unhappy. as in gas, a political backlash builds. The lack of a clear link between the welfare of customers and the returns to investors and directors is, in Professor John Kay's view, potentially lethal for the present regulatory system. And privatisation becomes more contentious as disposable



. -

Rail a privatisation too far, so the sale in May of Britain's Railtrack could rebound on the government if it coincides with

Which countries stand to benefit most? Privatisation will help many developed countries improve their public finances. But developing countries, and countries in the former communist bloc, are the biggest potential beneficiaries because of the underdeveloped state of their private

sectors. As well as enjoying the proceeds from the disposal of assets, finance ministries in such countries usually pay out substantially less in future subsidies as a result of privatisation. And the market mechanism is a more efficient method of allocating resources than the bureaucracy. Wherever the state is bloated and policy bad, privatisation offers disproportionate economic benefits

John Plender

Borderlands struggle to find their role

he ultimate political and eco-nomic shape of 21st century Europe could well be determined by the fate of Belarus and Ukraine, the two former Soviet ter-ritories occupying the "borderlands" of a continent whose eastern frontier is still to be politically

Minsk, the capital of Belarus, has theoretically been the "Brussels of the east" since the Commonwealth of Independent States was hastily set up there in December 1991 to ensure some form of institutional co-operation between the successor states of the former Soviet Union. Until now, however, the CIS has

proved a hollow reed. This is due partly to the unexpectedly strong determination of Ukraine's post-independence leaders to build their own national institutions, and partly to the unresolved struggle in Moscow between the "modernizers" striving to make Russia a modern nation-state and the pan-Slavists - in neo-communist or neo-nationalist guise - who believe that Russia's destiny lies in the re-constitution of a modified post-Soviet Union.

In contrast with Ukraine, Alexan-der Lukashenko, the maverick president of Belarus, has repeatedly tried to forge closer economic and other links with Moscow, though with limited success.

Although Belarus has only 10m inhabitants, it is almost as big as



Poland. It is littered with over-sized Soviet era factories and Warsaw pact military installations, and is seen by Russian pro-market reformers as a liability whose economic demands threaten Russia's own

stretched economy. "The prime minister went to Moscow in 1994 to sign a currency agreement which would have led to economic re-unification with Russia. But nothing came of it," recalls Uladzimir Syanko, the Belarus foreign minister. Minsk then made a fresh attempt to re-build links with Russian factories through a customs union.

"The main benefit would have been supplies of raw materials, including oil and gas. at domestic Russian prices. But Russia has not fully implemented that part of the agreement," Syanko added on a visit to London for talks with Malcolm Rifkind, the UK foreign secretary, and to open an embassy.

Moanwhile, efforts to develop relations with western Europe have been frustrated by the autocratic and unpredictable ways of President Lukashenko, a former collective farm manager. However, discontent with Lukashenko's strong-arm tactics against opposition forces, the media and private entrepreneurs was reflected in an unexpectedly high turnout in two rounds of voting which created a working quorum for a new parlia-

The voting also secured the election of three of the country's most prominent post-independence personalities, including Stanislav Shushkevich, the former speaker, and Stanislav Bagdankevich, the reformist former chairman of the

central bank. "it's very good to have such people in parliament. We're now going in the right direction," said Syanko, whose visit to London was part of an effort to widen political and economic links with EU states as well as Poland, the Baltic states and Ukraine. This is starting to pay off. Trade with the UK, for example, doubled last year to around \$40m. Meanwhile, for Belarus and Ukraine, as well as the Baltic states Europe's politicians care?

DATELINE

Ukraine and Belarus are challenging the Russian tradition of keeping dependent vassals on its

western border Anthony Robinson

and Russia, the dynamic growth of private enterprise and rising wealth in central Europe, especially in Poland, is changing the environ-ment in which they operate. For the first time in living mem

ory, the borderland states of Europe are no longer hemmed in by impoverished and or oppressive states, but enjoy relatively open borders freedom to move and

Every day, thousands of citizens from Belarus, Ukraine, Latvia and Lithuania pour across the Polish border to trade and re-sell cheap but reasonable quality consumer goods at a profit back home.

To stock up, many travel as far as the fast-growing textile markets around the central Polish city of Lodz, fuelling a boom in the once depressed Polish city and injecting an estimated \$5bn-\$7bn a year into the Polish economy. Profits made through this private trade are also helping the new business people of the borderlands to build up the capital and skills needed to restructure

their own economies. Belarus and Ukraine, with their high proportion of heavy industries, inherited a particularly bleak economic legacy. For Belarus, which was the forward staging area for Warsaw Pact forces, the legacy was made even worse by the Chernobyl

nuclear accident. Fall-out from the Ukrainian plant contaminated nearly a third of its territory, cutting farm output and diverting scarce resources from the daunting task of revamping oversized arms, ball-bearing, tractor,

truck and electronics factories. "The problem is that nobody has worked out a way to privatise these giant plants anywhere in the former

Soviet bloc," says Syanko. Both countries hoped that dismantling the vast nuclear arsenals once stored on their territories, and opting for non-nuclear status. would have entitled them to far more western aid and assistance than has materialised. Ukraine, for example, is still pressing for funds needed to close Chernobyl and replace nuclear power with gas-

fuelled plants. But Sergei Osyka, the Ukrainian minister for foreign economic affairs, holds out the prospect of a profound change in Ukraine's economic prospects as western oil and gas companies step up their exploration and production activities.

"In the 1960s, the Soviet regime decided to neglect Ukraine's proven but relatively deep oil and gas reserves and concentrate on developing the distant but shallower reserves of Siberia," he

"Today, Russian and western oil and gas companies are concentrating their attention on central Asia. But these resources are also distant, difficult to develop and expensive to transport. Some of the more innovative western companies are turning to Ukraine, which is much closer to western Europe and has 52m domes-

Under the umbrella of the Central European Free Trade Association, former members of the defunct Comecon trading area are busy re-building intra-regional trade on a new private enterprise basis.

As this intra-regional trade expands again, western business is also starting to look beyond the fast-track reformers of central Europe to the borderlands beyond. One question is whether Moscow

can be persuaded that Russia's best interests are served by the maintenance of prosperous independent states on its western borders - or by dependent vassals, as so often in the past. Another question is: do

Renschler cuts loose

Wolfgang Münchau profiles a rule-breaker at Mercedes

t 37, Andreas Renschler is one of the youngest top managers in German industry. Yet as president of Mercedes-Benz US, he oversees a budget of some DM1bn (\$0.60bn), the cost of starting up Mercedes' first car plant outside Germany, which is to produce a new range of four-wheel-drive cars from 1997. In a corporate culture where 55-

year-olds are considered young, Renschler's rise is no mean accomplishment. He puts it down, modestly, to a generous dose of luck, plus the support of others, including Helmut Werner, Mercedes' chairman, and Jürgen Hubbert, the firm's head of cars.

Renschler's management style symbolises the change in culture at Mercedes-Benz, from a top-down hierarchy towards a horizontal organisational structure; from aloof uniformity to shirt-sleeved informality. Yet Renschler grew out of the old Mercedes-Benz culture, which has not only tolerated a degree of non-conformist behaviour on his part but also - in some ways encouraged it.

Renschler joined Daimler-Benz in spell as assistant to Werner Niefer, the former chairman. He was in charge of two projects in Latin America, but failed to land his 'dream job" in Argentina. Instead, he was put in charge of a

small team examining prospects for 4W-drive vehicles, which concluded that Mercedes-Benz could build one that would be sufficiently different from rivals' models to succeed in a highly competitive sector. They also recommended building them in the US. the biggest 4W-drive market.

Renschler's project started just as the long boom in Germany's car industry was coming to an end; Mercedes-Benz accepted the need to embrace change. In Tuscaloosa, Alabama, chosen as the site for the new plant, Renschler is now com-

striving to catch an earful of Miss

This unstarry but quietly spar-

kling BBC-produced film won rave

reviews in America, which prompts

us to ask: Why did they get it

They also got Showgirls first but

were welcome to it. Awash with nudity, this sex-and-sleaze exposé

shook all moving body parts at its

US audiences, who responded by

moving out of cinemas. The high-

profile box office flasco was

created by Joe Eszterhas and

Paul Verhoeven, writer and

Austen's matchless dialogue.



Renschler: setting up US plant

pleting the project whose feasibility he once studied. Every other week he commutes between Tuscaloosa and the outskirts of Stuttgart, Mercedes-Benz's headquarters

"We would not have made it had there not been a general sense of change [at Mercedes]," says Ren-schler. "If this had happened in normal times, we would have hit trouble. But at that time there were the 1988 after university, and had a first dark clouds on the horizon." There was pressure: "not just pressure on cost savings but also cultural change...Without this new mentality we would not have man-

aged. We were lucky."

The project is being tightly run, and the new model is still veiled in secrecy. "We stipulated that it had to be a separate team. 12 or 13 neople, with a separate budget, free from line management obligations, in separate offices, answering to a single member of the board," says Renschler.

A few miles from Mercedes' sprawling headquarters office blocks, Renschler runs a small, high-security plant developing the model. Every day, for about three to four hours. Stuttgart and Tuscaloosa communicate via video

PEOPLE

screens. Some managers commute every week. The Tuscaloosa plant is a rapidly advancing building site, managed by Renschler and his even younger team, who camp out in makeshift huts. Once it is completed, Renschler says with pride, there will be no reserved car parking for executives. Even the chairman will work next to everybody else in the same open plan office.

In almost every respect the setup at Tuscaloosa will be the opposite of the traditional German office, with its long corridors, name plates and front rooms. Renschler dislikes structures that divide and separate.

"The more barriers you erect, the less they tell you," he says. "Communication is the most important thing, no matter which company you are in. In the old days [at Mercedes-Benz] we had a canteen for workers and clerks, then we had a 'silver spoon' [canteen] from a certain level onwards, and then we had

a 'golden spoon'." Renschler's rise was not completely smooth. A friend remembers that "there were some critical situations because he did not get on with Professor Niefer as well as he could have. It was not that he did not like the guy. On the contrary. But it was felt that Renschler was always at a new party when Niefer wanted him at an old party. Starting something from scratch was what he really

wanted to do." Getting control of the 4W-drive project was Renschler's big break, giving free rein to his creativity. But in his view, the rules within German companies are strict only for those - the vast majority - who

follow the standard game plan. Renschler says that although Mercedes-Benz is a company with traditional bureaucratic systems, its culture nevertheless permits a few people to take risks and to break out of the system. For people such as him, he says, there are no rules.

IN THE NEWS

Wallenberg's very modern executive on Gambro's trail

Mikael Lilius, chief executive of the Wallenberg industrial group Incentive, skipped his family's New Year skiing holiday to stitch together last week's SKr10bn bid to swallow the medical technology company Gambro, writes Hugh

Carnegy in Stockholm. But such are the demands on the modern executive that when he finally did get away, baby-sitting duties still kept him off the slopes. The affable Lilius was cheerful none the less. "These are very exciting times," he declared.

An ethnic Swede from Finland,

47 this year, Lilius is one of the "young Turks" of the Wallenberg sphere, leading the quest to add modern, high-growth investments to an empire traditionally dominated by cyclical stalwarts like engineering and forestry.

He was brought into Incentive in

1991 to refocus the operation in growth sectors. It was then a low-earning ragbag of second-line Wallenberg assets – a poor relation to the blue-chip vehicle. Investor. Even when Gambro had been identified as a target, there was a problem. "At the end of the rope that led to Gambro was Volvo, which was then its ultimate owner. Only after the collapse of the Volvo-Renault merger, when it

became clear Volvo was going to

to happen," Lilius recalls.

sell non-core assets, did things start

In mid-1994, Incentive gained a majority voting share in Gambro the world leader in renal care. Now it is seeking to complete a full takeover. Further divestment of other industrial interests in areas such as cargo bandling, military vehicles and power, will follow. Lilius hopes the 30 per cent

"conglomerate discount" Incentive shares have habitually suffered will soon be a thing of the past.

Thai shenanigans

Thailand's financial officials have traditionally been a low key bunch, writes William Barnes in Bangkok. Their job is to keep the economy growing at a fast lick and avoid parliamentary shenanigans.

However, over the last fortnight they have been involved in an unseemly bust-up. Ekamol Kiriwat lost his job as head of Thailand's Securities and Exchange Commission and deputy governor of the central bank, and Surakiart

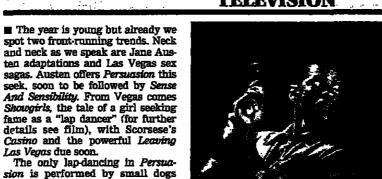
Sathtrathai, the finance minister who sacked him, has been demoted. Ekamol, widely admired for bringing some unaccustomed discipline to Bangkok's rumbus ious stock market, probably paid the price for speaking his mind. He had been instrumental in charging one of Surakiart's former legal

clients with stock manipulation, and had been critical of his decision to bail out small investors in Novembër after a bankrupt investor shot himself. Though Surakiart's demotion is less of a loss – at 37, he has little financial experience – there has been speculation that he has been used as a scapegoat and that Ekamol's downfall was in fact engineered by central bank

governor Vichit Supinit. They have long been rivals and temperamental opposites. When the baht was under threat during the Mexican currency crisis, the finance minister at the time. Tarrin Nimmanahaeminda, asked both men for their advice. Vichit wanted to introduce exchange controls. Ekamol counselled the opposite. Tarrin took Kkamol's advice and

the baht survived.

TELEVISION



Denzel Washington finds trouble in the shape of a Devil in a Blue Dress

director of Basic Instinct, who made two basic mistakes. With nudity you need eroticism, with violence tension and/or human interest.

■ The War, a sentimental family fable starring Kevin Costner, also slumped in America. But The Devil In A Blue Dress won eulogies for its '40s-set thriller involving murder, blackmail and Denzel Washington. Director Carl Franklin (One False Move, 1993) is a name to watch.

On video small pleasures compete with large follies. You will bless the fast-forward button as you watch Hoffa, the three-hour Jack Nicholson-starring trade union melodrama, or the costly comicstrip lunacies of The Shadow and Star Trek: Generations. But you will linger happily over Miami Rhapsody, an astringently funny tale of love and manners in the Woody Allen style.

Nigel Andrews

MUSIC

■ The Bang on a Can All-Stars is a phones, guitar and keyboards, occacollective of New York-based young composers and players who consider themselves to be "too funky for the academy and too structured for the club scene".

Their solution - a bewitching fusion of European classicism and American minimalism shot through with rock and jazz edginess - make a truly jolting start to the New Year's albums.

■ Industry (Sony Classical) is dominated by the Dutch composer Louis Andriessen, but also includes fine pieces by Julia Wolfe, David Lang and Michael Gordon. The sound throughout features startling combinations of percussion, saxo-

sionally locked together in taut she needs a couple more to catch up rhythmic unison (Lang's mischlevously titled "Anvil Chorus"), but also allowed to roam into improvisation (the Mahavishnu intensity of the climax to Wolfe's "Lick"). It is all reminiscent of some of the late Frank Zappa's best work, and, refreshingly, dares to make demands on the listener.

■ Charlie Dore was identified, along with Kate Bush and Judie Tzuke, as one of the brightest female singer/songwriter hopes for the 1980s. It did not happen, however, and Dore went into a long sabbatical from performing, preferring to concentrate on writing.

Things Change (Grapevine) is her Peter Aspden

first album for 13 years, but perhaps with the times. The songs are wellcrafted, polished and intelligent, striving for timelessness but sounding just that little bit

■ Wild One - The Very Best of Thin Lizzy (Vertigo) is a pretty comprehensive account of a band which managed, with rare accomplishment, to unite headbangers and boppers at a time in rock history when you were one or the other. A River of Sound (Hummingbird) is a sweet, melodic collection of Irish traditional music from the recent television series of the same name.

WEIGHT

Don't worry, it won't appear round your middle. The effects of FT PROFILE will only be noticed in the boardroom. And when it comes to giving you added weight in this area, FT PROFILE is the equivalent of a four course dinner.

It feeds your mind a high calorie diet of business information, company data, market developments and details on key people.

Using FT PROFILE is as easy as, dare we say, pie? It's available through the computers in your office via modern. So you enjoy Instant access to over 4,000 of the world's most respected international business information sources. As well as the FT itself, these include impeccable names such as The Economist, Investors Chronicle, FT Extel and Mintel.

No name can add more weight to your views and decisions than Financial Times. So why not use our profile to improve your stature?

YES, I'd like my vi Please send me more informati	iews to carry extra weight.
Name	
Job title	
Company	
Address	
	Postcode
Telephone No	Fax No
Type of Business	

FINANCIAL TIMES 13-17 Epworth St., London EC2A 4DL Tel +44(0)171 825 7907 Fex +44(0)171 825 7999

MANAGEMENT

behind almost every big boardroom defection is the anonymous figure of the headhunter, proficient in the techniques of corporate seduction but still little known outside the highest echelons of busi-

For many people the work of headhunters - or executive search consultants to give them their Sunday name - is a mystery. But among decision makers they have become as much a part of corporate life as the accountant and the lawyer - with salaries to match.

Headhunting has become a swiftly expanding industry rivalling other areas of management consulting in its pace of growth.

A recent report by the Economist Intelligence Unit valued worldwide search revenues this year at between \$3.5bn (£2.3bn) and \$4bn. European revenues account for about a quarter of this. In 1994 the top 20 firms shared a net revenue in Europe of \$580m with annual increases of between 20 and 40 per cent in both 1993 and 1994. Growth in 1995 shows no signs of easing off.

The EIU report puts a positive gloss on the search business, portraying headhunters as highly skilled industry experts often with as much knowledge and status as those they were placing on the boards of companies. It was well received in an industry which complains that it is too often portrayed as a talent snatcher, luring satisfied executives out of their existing jobs.

The image has by no means disappeared and even some headhunters recoil from the suggestion that they are as able as the people they recruit. One industry veteran said: "It is very easy in headhunting to get delusions of grandeur because we find ourselves moving among industry and commerce. To put it quite crudely we are prostitutes. We

are not even mistresses."

Comparing the oldest profession to one of the youngest may not be entirely appropriate but both of them have struggled to be accepted in polite society. Headhunting is not the sort of job that attracts knighthoods but it does register a high cuff-link count - they dress the part - and in the past few years it has been attracting increasingly talented individuals.

Most headhunters take specialists straight from senior jobs in industry or they headhunt from each other. Egon Zehnder International. which has the biggest revenues in Europe, is somewhat unusual in that it never recruits other headhunters but takes raw talent with an MBA or other business qualification and often with a consultancy background. Many of its partners are ex-Harvard Business School or ex-McKinsey consultants.

The firm has pioneered the concept of the headhunter as consultant. It brings in high-calibre people from outside the industry who know from the outset that the time to partnership will be six years.

John Grumbar, managing partner

of Egon Zehnder's London office. says: "We shy away from this word headhunter. We are trying to make it a profession where people are buying the service," he says. Like Egon Zehnder, the biggest operators are going for "global reach", establishing or, in some cases, buying local offices overseas so they offer an international search capability to clients.

ho are the best managers in the world? I have no idea but I

would love to find out.

Thus I fell upon last week's copy of

BusinessWeek magazine, which

Yet as I read about these "top

winners in the global game" as the magazine called them. I started to

feel cheated. Take the two women

in the sample. Ana Patricia Botin, chief executive of Spain's Santander

investment, apparently has the

penetrating gaze and workaholic

drive" of her father, chairman of the same outfit. Botin may be good

at her job, but is she really one of

the 25 best managers in the world? Or is she on the list because Busi-

nessWeek cannot bring itself to

admit that there are no women in the tip top league? The other

woman. Patricia Stonesifer, appears

her division at Microsoft. But why

has she been included when Bill

Gates gets no mention?

promised to reveal the 25 top man-

agers of the year.

The pace of expansion in the headhunting industry is being matched by its rapid change of image, writes Richard Donkin

Professionals lured by respectability



The market is also attracting niche players who concentrate on a single industry sector or geographical area. Eric Salmon & Partners. for example, though not among the largest of firms, has in the words of one of its competitors "sewn up the Paris-Milan axis"

To cover this demand for specific expertise the biggest firms now have industry specialists within their ranks who tend to know not just the people in their sectors but the businesses too.

Matthew Wright, who covers the financial services sector for Russell Reynolds Associates, says: "You cannot work in this sector without understanding the mechanisms of

Unusually Wright joined Russell Reynolds straight from studying law nine years ago. "There is a generation coming through now that sees headhunting as a career," he says. Each firm has its own characteristics. Many have their star players like Korn Ferry's Windle Priem who dominated the US east coast financial sector during the 1980s.

The big name headhunters can often point to successful placings which help to promote their reputations. Sir Colin Marshall's success at British Airways remains a powerful advertisement for the skills of Miles Broadbent, of Norman Broadbent International, who helped put

When the placing goes wrong.

however - as it has done with Michael Lawrence, who has just been dismissed as chief executive of the Stock Exchange - it can reflect on the headhunter who put him there. In this case John Viney, of Heidrick & Struggles, who carried out the headhunt, admits that Lawrence did not ultimately fit in the job but he points to the reluctance of others to accept the need for change. "I have to accept some of the blame for this. I am helping and advising the board. My job is to get the highest calibre individual for the post. There is some risk associated with

it, especially if I fight for him." He said that Lawrence had thought "long and hard" before tak-ing the job. "He had to ask himself. 'do they want change and have they got the stomach for it'."

In such high-profile moves the role of a headhunter can be crucial to the future performance of a company. This may prove the case in the search for James Ross's replacement as chief executive at Cable and Wireless. The sudden departures of both Ross and Lord Young, By the second year, he says, they

the chairman, is perhaps an extreme example of the unexpected problems that a headhunter may be asked to solve. In this case the departures were messy and damaging, triggering a mass of criticism about the company structure, its future and accompanying takeover speculation. The headhunting

as it must be, with deciding the strategic direction of the company. Dealing with nothing less than a crisis, in this case, demands the sort of industry expertise identified by Nancy Garrison Jenn who compiled the EIU report. She says: "They have to speak the same language as

assignment in such circumstances

is as tough as they come, bound up,

While part of this talent involves looking the part and acting the part, it does take time for those who enter headhunting way into the job.

Miles Broadbent says that in the beginning, at least, a newly recruited headhunter with no previous experience in the business generates very little for the partner-ship. He says: "In the first year I don't expect them to generate any assignments of their own but they do assignments under supervision."

should be generating about half of their assignments themselves and by year three they should have become self sufficient. In year four they should be handing over surplus assignments to less experienced colleagues.

The telephone is probably the most useful weapon in the headhunter's armoury. As one of them points out: "A chief executive will take calls from three types of people: journalists, headhunters and his mistress." Broadbent nicknames the telephoning system "smile and dial". He firmly believes that

approaches to potential candidates should only be carried out by headhunters themselves. "I think if you are doing a senior job, a senior person should call up a senior candidate and should know the whole story," he says.

A call from a headhunter, how ever irksome, tends to stimulate two powerful human characteristics, one is the ego - it is flattering - and the other is curiosity, the urge to find out more about the job. But even curiosity disappears among the most successful execu-

tives in high-profile roles who have grown tired of headhunters' attentions. As Broadbent points out: "The guy you really want is the guy

who's perfectly happy in what he's doing.

He says that timing is an important part of the job. Broadbent watched the career of Neville Bain when he was finance director of Cadbury Schweppes for several years because he knew that Bain would probably lose out when the top job arose at Cadbury. Bain had all the qualities to be chief executive except that Dominic Cadbury was six months older than he. When Cadbury got the top job Broadbent was in a position to move in and secure Bain for the chief executive's job at Coats Viyella.
The way Broadbent often works is

to turn an assignment on its head. When asked by a retail company to find a property director whose job would be developing out-of-town supermarket sites, he approached leading surveying firms and asked them who had impressed them most in recent negotiations. The client company had made up a list itself of all the retail property directors and was trying to ring them one by one. Their eventual choice was on the list but they had not got to him yet. "We got somebody in six weeks by this method. If you want to find a sales director you talk to buyers. If you want a buyer you talk to sales directors," says Broadbent.

The traditional search fee is split like this: a third of the fee is paid when the search contract has been secured, a third after a shortlist has been delivered and a third upon the executive signing a contract with the new employer. Typically the whole fee is a third of the first year's gross remuneration, payable in stages over the length of the search which is often billed on the basis of a 90-day assignment.

With highly paid posts, however, where the first year's salary package might be approaching £1m. fixed fees have become more common. As headhunting has become more established, the fee structure has become most vulnerable to pressure from customers. Headhunters will often find themselves pitching for a particular assignment and price will be a factor.

The business has developed in a series of breakaways and buy-ups but the way that the bigger companies have been moving is to take on extra functions such as establishing subsidiaries involved in selection covering lower-paid executive jobs where advertising is commonly used. Some headhunters are also pursuing opportunities in the recruitment of non-executive directors to fulfil the best practice recommendations in corporate governance laid down in the Cadbury

Garrison Jenn belives that the demand for international searches and specialist knowledge will be big influences over the next few years. The spread to new markets in eastern Europe and south-east Asia has also defined expansion in recent

Another feature may be a spread into other recruitment areas. The fully integrated recruitment practice featuring search, selection, interim management and outplace ment may not be too far away. In the meantime, looking at the outfall from the top jobs at the Stock Exchange, Cable and Wireless and Amstrad in recent weeks, the headhunter seems to be enjoying a rare commodity in today's marketplace

nightmare with half the ticket

machines out of order, I would not

find the invitation to commend any-

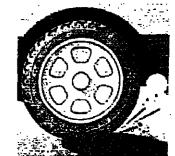
one amusing. And even if a member

of the Underground staff had done

something deserving of a herogram,

I would prefer to send one spontane-

Returning to the subject of what



FAST TRACK

Dance names such as Calypso. Bolero, Flamenco and Tango conjure up images of leisure and entertainment rather than hard-boiled commerce, but the German company which uses them for its products is in a highly competitive and fast-moving sector computerised colour and graphics systems.

Founded by a Frenchman. based in Frankfurt and now pushing strongly into the US and Asia. Dalim - named after Salvador Dali, the surrealist painter - certainly has global ambitions. But the young company, now growing at a rate of 50 per cent a year, bas also had setbacks.

Dalim began as a provider of business graphics software. It was initially successful but hit a problem in 1990 when Tektronix of the US pulled out of the computer workstation market. Tektronix hardware had been the platform for Dalim's product.

Francis Lamy, the 37-year-old founder and president, was thus forced to change tack. The way he did so, helped by venture capital companies, laid the foundations for the growth achieved today, with 1995 sales of DM25m (£11m) expected to rise to DM38m in 1996.

Lamy decided Dalim's systems for the pre-press industry should be software-oriented, based on the Unix operating system and the PostScript editing language He also opted for object orientation, in which programs are written for specific functions. Dalim systems run mainly on Silicon Graphics and Sun Microsystems workstations.

Dalim's colour imaging and manipulation systems are sold worldwide. Among its foreign customers are Colourscan Overseas of Singapore Mullis-Morgan of the UK (handling colour advertising for News International and Express Newspapers), Quebecor in Canada and North American Color of the US. In Germany, big users include Burda (for Focus magazine, the rival to Der

gel) and Axel Springe It is also branching out into packaging, textile and ceramics printing, workflow management and digital multimedia storage of picture, sound and video data for a variety of applications. Having moved beyond Europe, it is now building up its base in the US and has plans for Japan,

Some 70 per cent of the company is owned by venture capital companies - including Techno Venture Mana (TVM), Hanseatic and Atlas Venture (Dutch-owned) from Germany, APM of the Netherlands and Jafco (Japan) which have invested DM30m. Lutz Thiele, the chief executive, says Dalim has just reached break-even and plans a share listing on the US's Nasdaq stock exchange at the end of

SOI

BUSI

COURS

accounts for more than half its sales and the US for 30 per cent. But Dalim's aim is to have roughly 40 per cent of its sales in the US, 80 per cent in Europe and 30 per cent in east Asia, he says. "Forty or 50 per cent of the world market is in the US. If you can't exist in the US, you'll stay a geographical niche

1996 or early in 1997. Germany

player."
Dahm has strong competition. But its rapid growth into new sectors and markets has given it a powerful potential. "The whole [printing] industry is developing so that it will become completely digital,"
Thiele adds. "Our software
engineers have taken a fresh approach to a traditional

Andrew Fisher

Cheated by the world's 'best' manager The more you think about it, the

started in the big job at British Airways last week? Indeed, what is a good manager anyway? According to the magazine, top managers have "ridden the tiger of growth to spectacular suc-

Nevertheless, the 25 Business sWeek managers should enjoy their to have done great things running that the sucess of a modern company is down to all its staff.

more ridiculous the list seems. Why has Robert Ayling been named a best manager of 1995 when he only LUCY

cess". But surely financial perfor-mance is only part of a complex and subjective calculation.

stardom while they can. Our hunger for spotting winners is exceeded only by our hunger for scapegoats as evidenced by last week's new British TV series bounding fallen executives. But I would like to know how these corporate heros and villains are supposed to fit in with today's flat, empowered organisation. We are endlessly being told KELLAWAY

novel step of telling its British readers what to wear. In its leader col-umn last Thursday it urged City slickers not to follow the US practice of dressing down on Fridays, but instead to be both more casual and smarter ever day of the week. London bankers, the Financial Times concluded, should emulate their opposite numbers in Paris. Milan and Frankfurt.

I would like to distance myself from this view. European harmonisation may be an excellent idea when it comes to the Investment Services Directive. But when it comes to wardrobes I find myself

strongly in favour of maintaining national differences. It goes without saying that the average Milanese banker looks crisp and colour co-ordinated, whereas the less said about the average City banker's appearance the better. However, it does not follow that the latter should copy the former. If British men want to dress cheaply and carelessly - surely that is part of their eculiar charm.

But a stronger point against is the near impossibility of changing the British man's wardrobe. Persuading them to start wearing elegant silks and linens would be about as difficult as persuading the

a good bet Finally, I am against the continental style City slicker on the grounds that he would damage the

national economy. The elegant fabrics and choice of colours that are found on the Continent do not come cheap. Neither are they the sort of thing that British companies are good at making. Just imagine what the change in style would do to our balance of payments, let alone to the profits of Marks and Spencer.

Once upon a time companies used to invite customers to complain if they felt they had received bad service. That seems to be going out of fashion judging by a notice that has just gone up at my local tube station. It makes no mention of complaint; instead it asks passengers to "comment" on the service and to "commend a member of staff". London Underground may feel this sounds more upbeat. But if I had

makes a good manager, one thing is clear: reading management books has nothing to do with it. I was interested to see on this page last week the book recommendations of senior management figures. The only ones who seemed to have spent any time poring over manage-ment texts in 1995 were the business school professors. For the most part executives were too busy in 1995 managing to read about man-agement. And if they did have time to read books it was more likely to

be about the real economy than organisational theory.

The Financial Times plans to publish a Survey on

British public that the lottery is not suffered the usual Monday morning

Franchising

on Tuesday, March 12th.

This survey will focus on areas such as research for potential franchises, explores sources of funding available and highlights the specialist help available. For more information, please contact

> **Lesiey Sumner** Tel: +44 (0) 171 873 3308 Fax: +44 (0) 171 873 3064

FT Surveys

More Than Just a Good Zipper... Our Advanced Architectural Products Are Changing The Face of The World.

YKK CORPORATION



And while you are at it, please attach your cheque to fund more Macmillan Nurses in the fight against cancer.

(Did you know over one million people are living with it?)

Cheque amount f..... made out to 'CRMF (F1)' Send to: CRMF FREEPOST LONDON SW3 3BR

Cancer Relief Macmillan Fund exists to support people with cancer and their families. Regd. Charity No. 261017

BUSINESS EDUCATION

If you are still wondering about new year resolutions, then try volunteer work. It could be good news for both your ego and your career

When giving is profitable

eghe, managing director and recruiter at US bank J.P. Morgan, looks at candifrom the world's top business schools, she does not limit consideration to academic success. She also scans applicants' backgrounds for volunteer work.

"Volunteer work shows character, important in today's business world where we are concerned about ethics," she explains. "There are other benefits, too. Once they're in the work environment, volunteer work is often a way executives make contacts and build their networks. That's the kind of person we want."

US business schools are getting the message and are putting a new emphasis on volunteer work. They are establishing formal volunteer programmes and reporting a tremendous surge in student interest. At Columbia Business School, for instance, about one-third of students now volunteer for community work on a regular basis, compared with just 4 per cent five years ago. Nearly half of Boston College's business school students are

involved in the volunteer programmes. Wharton, at the University of Pennsylvania, has gone so far as to make community service a part of the required curriculum for its undergraduate business students, who receive grades based on College are considering similar moves.

"The stereotype of the business school graduate has always been the me, me, me money-grubber whose only concern is for wealth," says Scott Caganello, assistant dean of student affairs at the Columbia Business School. "These sorts of pro-grammes help to counteract that image." Business schools say they are also looking more at extra-curricular activities such as volunteer work at the admissions level, so they are dealing with a student body ori-entated to outside service activities.

Both the students and the business schools see value in volunteer work beyond the altruistic. One advantage is improved business school relations with the neighbourhoods in which they operate. "We realise that we are part of a commu-nity, and the fate of Wharton is linked to the fate of west Philadelphia," says Michael London, who teaches the required vol-unteer course at the school

Students may grow from the experience as well. Administrators and professors complain that their charges too often come from sheltered backgrounds that offer little contact with people of different ethnic backgrounds and economic means.

In today's corporate America, the ability to mix with workers of different backgrounds is considered central to success.

WE LIKE RECRUITS WITH A BACKGROUND IN VOLUNTARY WORK CALLACHER, BUT PM NOT SURE SIX MONTHS WITH A CENTRAL AMERICAN DEATH SQUAD COUNTS



"The chance to spend time with people outside the business school environment is important," says John Hill, who, as a student, headed up the volunteer programmes at the Amos Tuck School of Business at Dartmouth before being recruited by Boston Consulting. "We worked with prisoners, for instance. That can be an eye-opener for someone used to a more homogeneous environment."

Administrators and recruiters also say the programmes can build leadership and

teamwork skills, and can give students a chance to put into practice the tools they learn in the classroom

Not everyone believes there will be a pay-off come recruiting time. "I think a lot of the recruiters still pay a lot more atten-tion to grades," says Louis Corsini, dean of the Boston College business school. "But volunteer work is now a valuable part of the business school experience."

Victoria Griffith

For a few dollars less

s a US business school graduate given the choice between a \$100,000 (£63,000) job on Wall Street or a \$300 a month posting in Poland which would you choose?

A surprising number of volunteers are taking the latter course by signing up with the MBA Enterprise Corps, a non-profit-making organisation which sends young business managers to work in eastern Europe for periods of 12 to 18 months.

The deal is a little better than \$300 a month because the graduates also receive travelling expenses plus a flat provided by the host company. That said, this is far from a conventional expatriate package.

Corporate America, therefore, might wonder why some of its brightest young business talent is willing to overlook a US salary for a while longer. The answer, according to Janet Jones-Parker, the programme's corporate relations director. has something to do both with altruism and the belief that the scheme will increase career prospects.

The programme, run from the University of North Carolina, Chapel Hill, is funded mainly by the US government. At present it is only available to US citizens and Green Card holders. The programme members are typically graduates who have worked five years before doing a two-year MBA course. Some have resulting debts of

can defer until their posting is over.

The assignment starts with a threemonth intensive language course before going to the host company. A country manager vets each of the postings to ensure they are offering suitable scope for

More than half the young managers stay overseas when the posting has ended. One couple I know set up a tee-shirt printing business in their kitchen. It is now one of the biggest textile printers in Poland employing 80 people in 7,000sq ft of factory space," says Jones-Parker. Some 350 managers have been through

the programme to date, many working in the expanding financial sector. George Col-lins, a law graduate from the University of Virginia, joined MBA Enterprise in 1992 and worked for a year as adviser to the general director of Posovni Banka, for-merly the Polish postal bank. After the programme he joined the Prague office of CS First Boston. Today, at 33, he is an equity partner and managing director of Patria Asset Management, a company for Czech institutional and retail clients investing in Czech service industries. Collins says: "Here I'm a big fish in a

small pond. It just keeps getting better". Richard Donkin

BUSINESS EDUCATION

THE NEW **BUSINESS EDUCATION** SECTION

It's Begun!!!!

new initiative designed to give our advertisers the best medium for Every Monday we will be publishing editorial dedicated solely to Business Education. This will be packed with editorial

overage on varied topics within We intend to develop this page to the point where it becomes the source of reference for all who want information on business of executive educational courses: where to go for courses; who to consult for advice; what MBA pportunities are around and how ther companies organise their

ertising is available below this editorial at the rate of £35 per single column centimetre. A very competitive rate and to make this re also available for multiple

KARL LOYNTON

ON 0171 873 4874

LEARN MORE ABOUT THE WORLD'S FIRST

Meet on Friday, January 12 with Dr. Robert E. Reinheimer of Duke University's Fuqua School of Business. Learn how you can earn a world-class MBA while you continue to work, in the Global Executive MBA Program.

Reception

6:00 p.m/ - 8:00 pim. Friday, January 12 The Four Seasons Hotel Hamilton Place, Park Lane

For more information: Tel 919-660-8011 Fax 919-660-8044



FUQUAL SHAPING BUSINESS REALITIES WORLDWIDE

IMAGINE ATTENDING THE WORLD'S FIRST & ONLY GLOBAL MBA

...without having to relocate or stop working. Travel around the world.communicate through leading-edge technologies and prepare yourself to lead a global corporation into the 21st century. Duke University's Fuqua School of Business introduces the Global Executive MBA program, beginning May 1996—a unique educational experience.

ON LINE Interact with world-class faculty and a select group of students from Asia, the Americas and Europe. Use the World Wide Web, electronic bulletin boards, e-mail, computer-based video conferencing, asynchronous groupware, decision support software, CD-ROM, multimedia courseware and more.

ON SITE Spend 11 weeks in residential classes at locations around the world. At each of five program sites, study developing and developed nations in the region. Learn firsthand how to succeed in a truly global enterprise. Begin with orientation at the Duke campus in North America. Then return to your job and continue interacting and learning via the Internet. Reconvene for two-week sessions in October 1996 in Salzburg, March 1997 in Shanghai and Hong Kong, and July 1997 in São Paulo. Return to Duke for the final module of this exciting 19-month Global Executive MBA program.

ON TARGET Earn your MBA in the first and only program to fully integrate three essential elements for effective global management: a firm grasp of core business skills, expertise in global management and proficiency in the latest interactive communications technologies. In 15 courses, cover core business functions such as finance, marketing and decision sciences, as well as the current realities of global business.

ON TIME Prepare yourself for leadership in a global corporation of the 21st century. Applications close March 1, and class size is limited, so apply now. Contact us today:

Call 919-660-8011 or 800-372-3932 (U.S.) Fax 919-660-8044 E-mail fuqua-gemba@mail.duke.edu Web site http://www.fuqua-duke.edu/programs/gemba

DUKE UNIVERSITY DURHAM, NC 27708-0116 Brussels Office

THE FUQUA SCHOOL OF BUSINESS

PHONE: 32 [2] 655-5857 FAX: 32 [2] 655-5739

FUQUA. SHAPING BUSINESS REALITIES WORLDWIDE

SOUTHAMPTON BUSINESS SCHOOL MBA

January and September Entry. by INTERNET

Study when and where you choose. Use computer conferencing and the global internet to interact with staff and other students throughout the world.

or Attendance Part-Time or Full-Time Southampton Business School offers a range of subject specific

MBA's including Marketing. Finance and HRM. We give credit for your appropriate professional qualifications and Contact Michell Gray on +44 1703 319380

OT MBA@SOLENTAC.UK



CONFERENCES & EXHIBITIONS

Call Kevin Sheehan, Director

We're famous for our facilities

Many renowned organisations choose the BiC for conferences and exhibitions. These superb, purpose built facilities and friendly helpful staff ensure your function runs smoothly and successfully - Ideal for up to 4000 delegates.

Get the facts now -there's much much more to this unrivalled location.

Conferences · Exhibitions · Seminars · Meetings

JANUARY 16 - FEBRUARY 2

The internet

"Build Your Future Cyberspace"
A nationwide series of half-day seminars designed to convey the impact the Internet is inving on business. How does it work? Where is it leading? How can you use it? Cat you keep sheaf? Where do you start? Vestues - Leeds 16/1 - Newcastle 17/1 - Glasgow 18/1 - Newcastle 17/1 - Glasgow 18/1 - Oxford 25/1 - Bristol 26/1 - Cambridge 31/1 - Lordon 1/2 - Boomemouth 2/2 1/2 Day p.m. £35. Call Free 0500 749499 http://www.iradest.co.nk/

LONDON JANUARY 17-21 The Lapada Antiques and Pine Art Fair

Art Fair
A superb presentation by 100 members of LAPADA together with a truly captivating ambience makes this an occasion to be enjoyed by the comoissour and the officetor slike.

Enquiries: Linda Colben Centre Exhibitions Tel: 0121 767 2760

Lacontal Experiment Contract

EXHIBITION CENTRE BIRMINGHAM

TO ADVERTISE IN THIS SECTION PLEASE CALL LUCY BATIZOVSZKY ON 0171-873 3507

TO ADVERTISE IN THIS SECTION PLEASE CALL KARL LOYNTON ON 0171-873 4780

BUSINESS TRAVEL

French fares fall Moves to open European airline routes to

competition sparked a price war in France as two nies cut rates on the Paris-to-Nice route. AOM, a subsidiary of the state-owned Credit Lyonnais bank, said it would introduce a fare of FFr690 (£89) for a return journey to match a simil tariff by Air Liberté.

Under a law which came into force on January 1, all French airlines have the right to fly domestic

in a dress rehearsal for regulation next year when airlines of one EU state will be able to in another.

Several small airlines pioncered the deregulation campaign last year, with AOM and Air Liberté flying several routes from Paris Only. Coinciding with the rallenge, Air Inter faunched itself as a

low-cost, no-frills ropean airline under the new name of Air inter The relaunch also marks a fightback by Air inter dual loss of estic market share to

Strike fears



Airways, will seek further talks with public-sector union OeTV to try to head off strike Deutsche BA director Richard

Heldeker said the dispute centred on OeTV's demand to set up a unified wage structure. Northwest Airlines will a launch a non-stop service from Detroit to Beijing on May 1. Offering the first non-stop service by a US airline to China. The thrice weekly flights are possible under a new agreement between the US and China announced last month. Airport food savaged Food critic Egon Ronay last week savaged the amort food at Paris Charles de Gausse airport, but said that caterers at London leathrow were miles ahe of their continental rivals.

Comparing standards at Charles de Gaulie, Heathrow, Amsterdam's Schiphol and Frankfurt airports, he said some dishes at the Paris airport were fit only for "people who have damaged their palate in some way". Ronay and a fellow inspector covered four food outlets at each airport in nber. He concluded that many Heathrow

coffee, better chips and even better croissants than their continental

However, Schiphol "Is for the food masochist", he said. "Anybody who eats at Aresterdam airport needs to have his head and palate exemined. It is below

Frankfurt was better than

Charles de Gaulle or Schiphol, but he said: "All the catering, including the food, exudes inefficiency." The low points were an "absolutely scandalous" croque monsieur and

rather laughable" cros in Paris; and a hot-dog usage at Schiphol which tasted "like a piece of

Heathrow still busiest Heathrow is still the busiest international airport in the world,

according to a survey. London's main airport is set to handle about 625,000 passengers on international non-stop flights departing in the week of January 15-21. according to the figures.

But US airports deal with more passengers as a whole. Chicago's O'Hare airport, its figures boosted by hordes of domestic travellers, tops the list with a total of more than 954,000 passengers due to depart that week. In a table dominated by

American airports, the only other European hubs in the top 20 are Frankfurt, placed ninth, and 17th-placed Paris.

Likely weather in the leading business centres

Teles () 1 2 5 2 5 2 5 7 Hong Kong 💍 21 💍 20 💍 20 🖒 20 🗘 22 London 🖒 12 🖒 12 🖒 10 🖒 9 Frankfurt 💍 3 🙆 2 🗢 3 📛 3 💍 6 禁 5 荣 28 荣 28 **2** 28 23 27 0.0.0.0. きゅう・ちゅう 8.8.0.0.0

Townhouse hotels with an emphasis on personal attention and a friendly ethos are flourishing, finds Amon Cohen

Good things can come in smaller packages

here is nothing more gall-ing for frequent business travellers than being told by deskbound colleagues that jetting about is a lucky, glam-

orous existence. The excitement of business-class flying quickly palls in the face of disruptions to domestic life and the strain of living out of a suitcase.

Worst is spending endless nights in hotels, where the foyers and bedrooms look the same from Milton Keynes to Manila and guests start behaving like robots, clicking in and out of sleeping quarters with an It is small wonder, then, that

recent years have seen the flourishing of townhouse hotels - small properties where the emphasis is on personal attention, individually decorated rooms and an ethos of friendliness rather than servility.

"Townhouses have a very useful job to do, which they do extraordinarily well, of giving a feeling of being a private house," says Giles Shepard who recently became managing director of the Ritz Hotel in

Shepard is well qualified to pronounce on the matter, for the epicentre of the townhouse movement is London, where relatively small operators claim they have been chipping away at the customer base of the more expensive grand or "palace" hotels.

house hotels in London. Today there are 28. They range from well-known names such as Dukes Hotel in St James's to Anoushka Hempel's Blakes and the Sloane Hotel in Chelsea, where all items in

the rooms are for sale. The trend is also manifesting itself in continental Europe, with 13 townhouse hotels in Paris and two in Brussels. Many similar properties are planned to open in the next year or so. Grace Leo, proprietor of Le Montalembert in Paris, is advising two members of the rock group U2 on the opening of the Clarence in Dublin next May.

Meanwhile, Peter de Savary, the property developer, plans to relaunch the Fenja in Chelsea, west London, next April, the same month that the 52-bed Hempel is opened by its eponymous owner in Craven Hill

The average room rate of townhouse hotels is now

those charged by bigger cousins'

creeping up to

Chelsea, is revamped as Cliveden Townhouse

The 27-bed Leonard opens in Sevmour Street this month and three entrepreneurs who have successfully exploited the formula elsewhere in Britain - Ken McCulloch in Glasgow and Edinburgh, Jona-than Wix in Leeds, and Jeremy Mogford of Browns restaurant in Oxford - are also hoping to estab-

lish London properties. For their regulars, the virtues of townhouses are clear. Jeff Max, director of US software company Systems Development, who spends half the year travelling on business and visits London once a month, is a regular user.

"Today," he says, "most hotels of all sizes have all the technological facilities you could need, but the large, impersonal nature of the big chains makes me feel uncomfort-

The townhouses have many of the nice features of a big hotel but com-bine them with the personal touch of a bed-and-breakfast, and manage to be familiar without being over-familiar. They also tend to be much quieter, which is something that is hard to find in London." His only complaint about town-

house facilities is their lack of air conditioning. Another commendation comes from Cartier. Pilar Boxford the company's UK communications director, says she always books the president, Alain Perrin, into the Franklin in London.

"We find our executives are happier in townhouses because the service is much more personalised." she says. "There is no waiting at the desk or for the concierge, and all rooms have a direct-dialling telephone and access to a fax machine."

ne adds: "The rate is also very reasonable compared with Claridge's or the Connaught, and services such as a massage or manicure are readily

At the Ritz, Giles Shepard is not so sure that business customers always get what they should at townhouses. "The average room rate of townhouse hotels is now creeping up to those charged by their bigger and grander cousins, he says. "They are playing on the Colefax and Fowler image and their intimacy to charge a high price but not deliver the service."

It is not only executives from groups such as Cartier and American entrepreneurs who patronise townhouses. Dukes' clients number senior executives from Goldman Sachs, Morgan Stanley and J.P. Morgan. as well many figures in the defence and aeronautical Andrew Phillips, general manager



Dukes Hotel Number of rooms

Price of double room Price of suite Dining facilities

One ortvate dining room Fax lines and modem connections in each room.

£188 per night £247-£323 per night

70

secretarial services on call

£235-£323 per night

£581-£1,050 per night

Three private dining rooms

plus Louis XVI restaurant

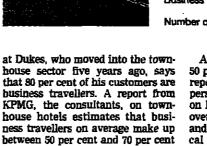
Number of staff

The Ritz Number of rooms

Price of suite Dining facilities

Price of double room

Number of staff (Including restaurant) 230



KPMG concludes that the future is rosy for the sector, in spite of responses from the grand hotels such as creating "club-class" floors that offer a personal butler service.

50 per cent of townhouse guests are repeat bookings, responding to the personalised service which is built on low staff and management turnover, recruitment of staff for charm and personality rather than technical skills; and the devolution of responsibility to all levels of staff.

Most townhouse employees are willing to give most tasks a go, and that applies to managers, too. David Naylor-Leyland, majority share-

According to its report, more than House and Dukes, all in London, takes a turn on the front desk at one of his properties every week. In spite of the best efforts of the townhouses to snipe at the palaces the truth is probably that each is good for the other, especially while London occupancy levels are running at more than 90 per cent.

As Shepard says: "I think we complement each other and offer a good range across the board, so that anyone visiting London can choose holder of the Franklin, the Egerton exactly what is best for them."

CONFERENCES & EXHIBITIONS

JANUARY 18-19 Preventing Financial Fraud: New Trends in Strategy and

Posicy Making
This two day seminar will present a
revolutionary new method of preventing revolutionary new method of preventing fraud before it has been committed. Speakers include Director of the International Chamber of Commerces
Commercial Crime Services, Chairman of
the Fraud Working Group, European
Banking Federation, Head of Fraud Training, Metropolitan Police and leading experts on financial fraud prevention.

Confidentiality ensured.

Experts on timines and Confidentially restared.
Confidentially restared.
Confidentially restared.
Confidentially restared and confidential restared and confidential restared and confidential restared and confidential res

JANUARY 22 Transport Policy for Britain One day national conference to examine Labour transport policy. Speakers include: Clare Short MP, Brian Wilson MP, Richard Diment (British Road Federation), Stephen Joseph (Transport 2010), Dick Worrall (West Midlands PTA) and John Nelson (British Railways

Contact Samantha Dixon, Neil Stewart CENTRAL LONDON

JANUARY 23/24
Practical Dealing course Foreign Exchange
Tranms in Spot and Forward FX dealing

for trainecijunior dealers and Corporate treasury personnel, also ideal for ACI Diptoma candidates, Highly participative course including use of WINDEAL (PC Windows-based dealing simulation). Training effected by practitioners with

Lywood David International Ltd. 1el: UK 44 (0): 1959 565820 Fav: UK 44 (0): 1959 565821

JANUARY 27 & 28

Introduction to Capital Markets Training course covering Bonds, Equities and introducing their derivative markets (Futures and Options). A practical course with case studies, investment pricing and risk identification evercises - intended for juntor securities personnel, trained dealers, to stome development and other number. nution securities personne systems development a staff, GPP 520 + V.A.T. Lyword David International L Tel: UK 44 (0.) 1959 565820 Fax: UK 44 (0.) 1959 565821

LONDON

Chartered institute of Marketing Diploma and Advanced Certific

Courses in the above, delivered at weekend sessions in Cambridge. Designed for executives with heavy workloads but who want to advance their Delivered by professional marketers, with excellent reputation in exam passes.
Call: Tina Theodorou Cambridge
Marketing College 01223 421903 CAMBRIDGE

JANUARY 29 Florida - Coordination of business with Latin American

Half day seminar on Florida's capacity to add value to trade and other services add value to trade and other services, destined for Latin American markets. Speakers include Lieutenant-Governor MacKay, Sir Nicholas Bonsor MP and representantes from Baretaya Bank, British Airways, Cithank, KPMG, Steel Hector & For details contact the Corporate Office, Carming House, 2 Belgrave Square, London SW (N SP), Tel: +44(0) 171 235 2303

Fire 444 (0) 171 235 3587 LONDON JANUARY 30

electricity market. This one day seminar will explore the key issues shaping the electricity market over the next decade. Themes such as 1998, on, distribution and supply will Contact: Sharon Robson, Power Ink Ltd

Tel 01730 265095 Fax: 01730 26004 JANUARY 30-31

Trusts - The Latest Two-day conference analysing in depth the international uses of the trust, the unexpected trays and other useful trust whicks and possible alternatives, as well as how to use trusts for commercial

purposes. Contact: ESC international Ltd,

LONDON

JANUARY 30/31 introduction to Fund

Janagement Basic entry level training course covering the main asset classes, modern portfolio theory and how investment decisions are reached. Also covers Regulation and client reporting - a practical course with case studies, pricing and risk identification exercises - intended for junior fund management personnel, systems development and other support staff, GBP 520 + V.A.T.

Lywood David International Ltd. Tel: UK 44 (0) 1959 565820 Fax: UK 44 (0) 1959 565821 LONDON

JANUARY 30/31 Practical Dealing course -Money market

Training in traditional Cash markets including repos and short term derivative (Futures and FRAs) - risk identification and evaluation, product pricing, position management - opportunities to test theories learnt in WINDEAL PC based dealing simulation. For Corporase treasury personnel and financial institution dealers, also ideal for ACT Diploma candidates. Lywood David International L Tel: UK 44 (0) 1959 565820

LONDON JANUARY 31 Reward Strategies for the 21st Century

Fax: UK 44 (0) 1959 565821

techniques in compensation and benefits and assess their suitability for different organisations. Speakers from KPMG Rolls Royce, Glaso Wellcome and £140 + VAT. Contact: Jo Bowman

£140 + VAT. Contact to Section EEF South, 01256 763969

LONDON **JANUARY 31 & FEBRUARY 1** The MBA Fair & the Postgraduate Study and

Training Fair renning rair
Representatives from over 65 leading UK
and international Business Schools will
discuss MBA programmes. Also available:
seminars and advice on applying for MBAs. At the postgraduate Fair graduates seeking a career change and/or postgraduate study can discuss their options with over 65 UK universities and professional instinctions.
Contact: University of London Careers Services information line: 0800 252 183 or 0171 383 2936/9

Learning to Survive

The Interactive programme includes workshops and open forum sessions giving delegates a unique opportunity to influence the future direction of the

Details and registration form Conference Associates and Services International Ltd. Tel: 0171 499 0900 Fax: 0171 629 3233 QUEEN BLIZABETH II CONFERENCE CENTRE

LONDON Post - Acquisition Management

Workshop
The workshop will be highly interactive, with an emphasis on discussion and feedback. The speakers, who are all specialists on the subject of post-acquisition management, will draw on their own experience, and provide practical information on how to successfully integrate newly acquired companies. Closely supervised groups sessions, memperated with presentations, will crabbe delegates to share experiences and test assumptions about the experiences and test assumptions about the post-acquision process.

Contact Maxine Streeter. Acquisitions
Monthly on Tel; 01892 537474

LONDON Successful Turnaround

Strategles directors, venture capitalists and restinational financiers providing an insight into this highly complex subject. The programme leads participants through the diverse issues leads participants through the diverse issues involved in corporate furnarounds including a temperature and a financial implementation; and if financial estructuring, with guest presentations from Howard Dyer, Hamleys & Ascot Holdings Pic and Dr Sturn Statier, LBS.

Contact: Julie Hough, Touche Ross & Co. Tel: 0171 303 6664 Fax: 0171 303 5927

LONDON FEBRUARY 6-7 Developing The New IT Scorecard: How to Measure and Manage the Business Value of Information Technology Delivering business value is a recognised priority for IT. The challenge lies in translating this goal into a measurable strategy. Packed with the latest thinking

and practice, this is the only UK ever where you will discover how to devel-and implement a balanced IT scorecard. Contact: Business Intelligence Tel: 0181 543 6565 Fax: 0181 544 9020 Telephone Communication Skills
An interactive course for anyone dealing
with customers over the telephone, covering
areas such as handling complaints,
controlling calls and asking for information.
An opposition to dealers were skill, incre

An opportunity to develop your skills in a non-flucturing environment, £195 + VAT netusive of lunch, refreshments, course material. Contact: STRUCTURED TRAINING 01926 337621 FEBRUARY 14-15 increasing Business by

Telephone teleprione.
An interactive course overing all the key areas which make you successful on the telephone.
Building better relationships.
Effectively promoting products & Services,
Courolling incoming and outgoing calls,
£495 + VAT, inclusive of accommodation meals and refreshments. Contact STRUCTURED TRAINING 0(926 33762)

Marketing

Planning to incorporate the new media into your marketing strategy? Interested in the implications of inter-activity? From the grand scheme to the nitty-gritty. KPMG, Ogilvy & Mather, emap, The Economist, Unipalm-Pipes and others provide a comprehensive insight into an area which no business can afford to neglect. For more details of this UNICORM seminar: sel: 01895 256484, fav: 01895 813 095

tel: 01895 20000. ras. osa. email: john@unicom.co.uk LONDON FEBRUARY 21-22

FEBRUARY 21-22
Euromoney Information
Technology for Banking and
Finance in Central Europe
This sensiar will inform on the scope and
pace of changes in IT sector in Central
Europe. Meet companies interested in
setting up and upgrading IT systems. Leam
from leading international experts and
through case studies how to choose most
effective technologies. Speakers include
consultants, systems and hardware
providers, banks which installed new providers, banks which installed new systems. Sportsored by Midas Kapiti and Hewlett Packard.

Contact: Lorraine Charman on tel. 0171 779 8793 fax 0171 779 9795 FEBRUARY 22

The Law of the Internet: Commerce on the Internet: can you afford to ignore the risks, threats and legal implications? This seminar by UNICOM is co-organised by specialist IT law firm Bird & Bird, and chaired by Chris Reed of the QMW IT Law Unit. It features expert presentations, and a debate between the ITC and OFTEL on regulating the internet.

tel: 01895 256484, fax: 01895 813 095 FEBRUARY 23 Researching East European Markets - The View From the

sminar held by London Business School for companies requiring business information from the region. Information specialists based in Bulgaria, Czech Republic, Hungary, Poland, Romania and Russia will present an overview of local sources of business information, illustrated by examples. Contact: Wendy Shelly,

CISME Information Service Tel: 0171 706 6870 Fau: 0171 402 8979 **FEBRUARY 27**

City Regulation The Financial Services Act After Ten Years features such authorities as Mrs Years features such authorities as Mrs Angela Knight of the Treasury, Smart Bell of the Labour Party, John Plender and Andrew Wincker, Spensors: KPMG, Clifford Chance, CSFI and London Guildhall University, Information from: Cityforum Ltd Tel: 01225 466744 Fax: 01225 442903

FEBRUARY 29 & MARCH 1 Will ISD Deliver? Barriers to Business in the Single European Equity Market Organised in association with The ropean Capital Markets Institute, this

conference will review the recent EU

directive and its potential impact on

European capital markets. Contact: Royal institute of International Tel: (+44) 171 957 5754 Farc 1444) 171 321 3045/957 5710

Changes in buyers' behaviour, competitive pressures and the regulatory climate, have voduced significant new forces for change within all areas of the insurance industry. The old, protective certainties of business are fast disappearing, and in their place are a succession of new compeniors, strategic alliances, substitute products and new distribution channels. There are significant acquisition and divestment concrtunities to be seized in this state of flux, which this

conference aims to address. Monthly on Tel: 01892 537474 LONDON

MARCH 8 Investment in Russia: Legal and Political Issues

One day conference to examine legal, political and economic developments in Russia and to discuss prospects for investment. Speakers include: Dr Maxim Boycko (Russian Privatisation Centre) and Professor Jeffrey Sachs (Harvard Institute for Research & Develope Contact Samantha Dixon, Neil Stewart Associates Tel: 0171 222 1280/Fax: 1278

MARCH 13 & 14

CENTRAL LONDON European Monetary Union time. The conference will give a balanced view of the economic and political issues involved and the implications for the

Tel: (+44) 171 957 5754 Fax: (+44) 171 321 2045/957 5710 LONDON MARCH 18-19

Developing an East Asian Business Strategy The conference will address political economic developments in the region, augement issues and will provide case studies on sector specific issues.

Contact: Royal Institute of International

Tel: (+44) 171 957 5700 Fax: (+44) 171 321 2045/957 5710 LONDON MARCH 21 & 22

FT World Steel - Towards a Truly Global Industry? organised by FT Conferences in association with CRU International Limited, will discuss the latest structural developments in the sector and consider supply, demand and trade issues. These mes will be addressed from both user's and producer's perspective Enquiries: FT Conference Tel: 0171 814 9770 Fax: 0171 873 3975/3969

LONDON MARCH 28-29 Trade & Investment Opportunities in the Russian Oil Industry The conference will provide a unique

opportunity for delegates to meet leading members of Gazprom and key Russian Government officials. Contact: Royal Institute of Tel: (+44) 171 957 5700 Tel: (+44) 171 907 5766 Fax: (+44) 171 321 2045/857 5710 LONDON

INTERNATIONAL FEBRUARY 4 & 5

FT Commercial Aviation in the Asia-Pacific Region Themes for this years conference will include: The potential and problems of new maffic rights in Asia; the development of onional aircraft manufacturing industries in the region; and opportunities in aviation growth markets - China and India.

Enquiries: FT Conferences Tel: 0171 814 9770

Fux: 0171 873 3975/3905 SINGAPORE FEBRUARY 12 The International Association

of Business Lawyers

(ASSINJA) is organising on the 12 February 1996 in Paris a conference on the subject of "New emerging tax advantaged cones; A user's guide". For more information and enrollment, please call ASSINJA's London branch on 0171 286 7130 (or send a fax to 0171 266 9085).

PARIS **FEBRUARY 22 & 23** The Financing of innovative SMEs in the European Union What roles should private and public agents play in adapting and developing financial instruments which would enhance technological innovation within SMEs? European symposium organised with the backing of the European

Tel: +32 2 772 89 00 Fax: +32 2 772 95 74

FEBRUARY 27-28 Gulf 96 - Infrastructure and Finance in the Middle East Senior ministers and leading decision-

makers from around the region discuss resourcing economic development for the Gulf in the 21st century, Programme and registration details: Natalic Bradshaw, MEED Tel: (+44) (0) 171 470 6409 / Fax: (+44) (0) 171 430 0337 LE ROYAL MERIDIEN, BAHRAIN,

FEBRUARY 29 - MARCH 1 Russian Investor Conference: Direct & Portfolio Investment Outlook for 1996

International conference designed for the investment banking, fund management and corporate community interested in the emerging Russian economy. To include: company presentations and workshops on prospects and investment opportunities for direct and partfolio investors; timely analysis of the Duma elections; outlook for 1996 - in particular the risk to the government economic stabilisation

Contact: Amelle Savona, Dow Jones Telen Tel: +44 171 832 9737 Fax; +44 171 353 THE PLAZA HOTEL, NEW YORK

SEPTEMBER 2-6 Lesdrevmash - 96 Machinea and Equipment for the Timber. Pulp-and-Paper and Woodworking Industry Held under the auspices of 'Eumabois'. Paris, the 6th Int. Exhibition will attract many specialist visitors - the previous event was attended by more than 130,000. For details please contact 'Expocents, ZAO'. Fax: 007 095/305 60 55 Tel: 255 37 38

MOSCOW

GUJARAT I POWER CORPORATION

EXTENSION IN TIME LIM!T EXTENSION IN THE TIME LIMIT FOR SALE PERIOD AND DATES OF SUBMISSION OF RFQ DOCUMENTS FOR: (1) 1000 MW (2X500 MW) IMPORTED COAL BASED THERMAL POWER PROJECT AT PIPAVAV, DISTRICT AMRELI,

SAURASHTRA, GUJARAT.

(ii) 615 MW CAPACITY GAS TURBINE BASED COMBINED CYCLE POWER PLANT WITH DUAL FUEL FIRING AT

Gujarat Power Corporation Ltd. (GPCL) has invited bids for prequalification on International Competitive Bids (ICB) basis for private sector participation for the above two power projects to be implemented in Gujarat through press advertisement. The Corporation has revised the Sale Period for RFQ documents

 1000 MW (2X500) Imported Coal based Thermal Power Project at Pipavav, District Amreli, Saurashtra, Gujarat : SALE PERIOD : 11/12/1995 to 22/01/1996 on any working day during working hours.

LAST DATE FOR SUBMIS- : On or before 22/02/1996 upto SION OF THE DOCUMENTS 04.00 pm. (ii) 615 MW Capacity Gas Turbine based Combined Cycle Power Plant with Dual Fuel Firing at Pipavav / Chhara in Guiarat

: 18/12/1995 to 29/01/1996 on any working day during working hours.

LAST DATE FOR SUBMIS: On or before 28/02/1996 upto SION OF THE DOCUMENTS 04.00 pm.

MANAGING DIRECTOR

TENDER NO RT.9055 SF: EXTENSION

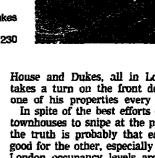
The closing date for Tender No RT 9055 SF concerning the legal, financial, commercial and economic advisers to the South African Government on matters pertaining to the Restructuring of State Assets has been

Tender documents already submitted by the earlier due dates may either be left at the Tender Board for consideration or withdrawn and resubmitted at the discretion of the

> CHEMICAL BANKING CORPORATION US\$200.000,000 SUBORDINATED

LONDON TO ADVERTISE IN THIS SECTION PLEASE CALL LUCY BATIZOVSZKY ON 0171-873 3507

. . . .



CONTRACTS & TENDERS

Read. Office: 5th Floor, Center Point. Panchvati, Ellisbridge, Ahmedabad - 380006. India.

PIPAVAV / CHHARA IN GILIARAT

and Dates for Submission of the same as under taking into consideration the intervening holidays for Christmas.

The revised dates are as under:

SALE PERIOD

CONTRACTS & TENDERS

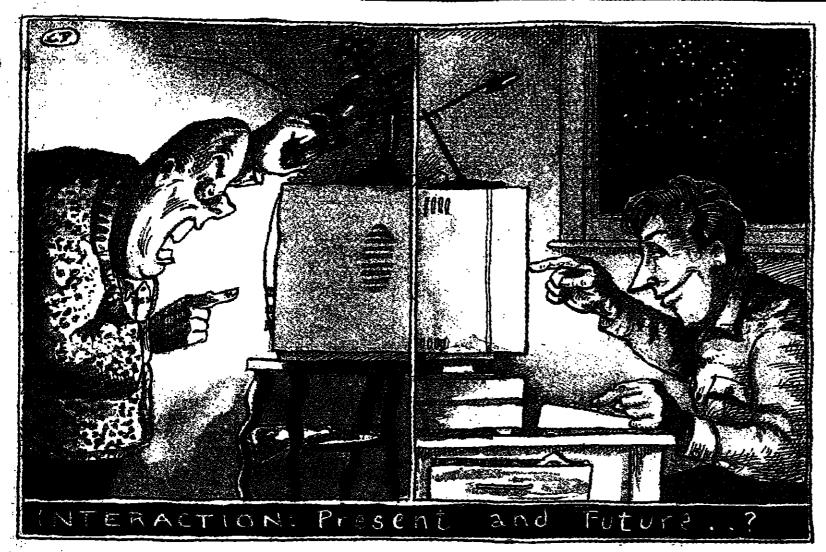
OF CLOSING DATE OF TENDER

extended until 19 January 1996 at 15:00,

tenderers.

FLOATING RATE NOTES DUE 2000 in accordance with the provisions of the Notes, notice is hereby given that for the interest period from 8 January 1996 to 8 April 1996 the Notes carry an interest rate of 5.766476 per annum.

MEDIA FUTURES



Ready to adjust your mindset?

Interactive technology will bring radical, but not sudden, change, writes Alan Cane

hich interactive the next three years. media and applications will find acceptance in the home during the next 10 to 15 years and how will they affect the lives of res-

٦., - a & ...

> Is the television movie in which the viewer can manipulate the ending to his or her own preference the "killer" application capable of kickstarting the interactive revolution? Or will home banking and home shopping prove the bigger draw? Such questions, which hold the key to the prospects of the multimedia revolution, will be examined by a research team from the London Business School under

Some indication of the level of interest in the group's conclusions is given by the list of sponsors: it includes the Markle Foundation of New York and a consortium of more than 40 companies including Barclays Bank, Rover Group and United Distillers. The research is expected to cost up to £300,000 in the first year.

A background study carried out for Prof Barwise's centre for marketing at the school, however, gives a hint of what most people expect of the interactive media revolution. If it is right, companies expecting quick returns from investment in multimedia should revise

The study suggests the evolution of interactive media in the home is likely be slow that is, over the next 10 to 15 years – but that it will have a dramatic impact on peoples' lives. Information and entertainment, especially video games, are seen as the principal drivers. Advertising and home shopping and banking will follow and, the study suggests, "may later become the main commercial use of inter-

active multimedia". Prof Barwise was not swiftly persuaded of the importance of establishing the research project. dismayed by much of what he describes as the "rhubarb" written and talked about inter-

"There is too much data and not enough understanding," he said. "Our aim will be to make sense of interactive media so as to help companies decide their strategic response to the threats and opportunities." Starting as it means to go on,

therefore, the group has

adopted its own definition of

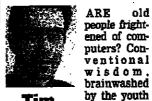
IMM: "Technologies which provide person-to-machine interactions that simulate an interpersonal communication exchange", a definition wide enough to include both sending messages back to the sup-plier of an information or shopping service and manipulating a compact disc player.

A question the group will

ing on interactive media. It questions whether there will be a swing away from information and entertainment funded by advertising towards media paid for by subscription. "If logging on to the Internet or an online service becomes a daily ritual, rather like reading the morning newspaper, then there is more scope for a larger proportion of promotional spend transferring to there from television or print

What sort of advertising could IMM support? The study gives a fictitious example: Watch this two-minute video on the new Ford Taurus and we'll pay for the pay-per-view

Net extends the range of grey power



brainwashed by the youth culture of Sil-Jackson icon Valley

become high-tech millionaires at 25, has it that they are. The newly installed chief financial officer of one company here joked to me the other day that he was so old that his company had been forced to install a wheelchair ramp. He declined to give his age, but admitted under pressure to being in his mid-30s.

But there is an alternative view: people who are retired and live on fixed incomes are unlikely to gamble a couple of thousand dollars or pounds on a PC just for fun. Before buy-ing a computer, the older person is more likely to want to see others using computers successfully. When that hap-pens - when the PC has become a familiar mass-market item - older people will start to become computer literate.

That very plausible argument is put forward by Richard Adler, vice-president of SeniorNet, a non-profit organisation in San Francisco that is devoted to bringing the power of computing technology to what is tactfully termed the "older adult".

Adler argues that analysis of the marketing of a range of high-tech products, from the cordless phone to the answering machine, and the VCR to cable, shows the same pattern: the longer a product is around, the more closely its popularity among over-55s resembles its popularity with the rest of the population.

To back up this view, SeniorNet cites a survey, paid for by the microprocessor company Intel but conducted by an independent research company, which suggests that the market penetration of PCs among Americans over 55 rose from 21 per cent in June 1994 to 29 per cent in Novem-

clear: oldies are getting wired. That trend is provoking a reorientation at SeniorNet, which for the past 10 years has concentrated on spreading computer literacy among older people. Founded in 1986 in a church basement in the University of San Francisco, the group runs classes at 76 locations across the US.

Courses start from the most basic beginner's guide and progress to word-processing. spreadsheets, communications and beyond. They vary by location, but cost no more than \$30 for eight 90-minute sessions - a fraction of the rate charged by most private companies. Space is provided mostly by community centres and old people's organisations. Equipment is lent or donated by sponsors, and teaching materials come from SeniorNet's head office.

To reduce the fear factor. students are taught by people of their own age, and the classes are intentionally non-com-petitive. Yet although there are no grades and no tests, SeniorNet boasts that students routinely stay to ask questions after the lesson, and come into the classroom at other times to use the computers on their own.

Since very few old people feel they need to work on their CVs, students have different reasons for signing up. Some are merely curious to earn about a technology that they have never even seen; one woman, on entering the classroom, asked which machine was the computer. Others have a clearer idea of what they want to use a computer for - whether it is computerising a family tree, keeping the books of a small business, or arranging mailings for their local church.

No matter how widely computers are disseminated, there will always be a role for a provider of low-cost training to the disenfranchised. But the arrival of PCs as con-sumer goods is allowing SeniorNet to return to an objective that it was forced to abandon in 1986 because computer literacy among retired

tive is to use cyberspace - the Net or private online services to enrich old people's lives. Thanks to a deal struck with America Online, one-quarter of SeniorNet's 18,000 members are signed up to a special oldies' online service.

The discussion forums and "live chat" rooms that the service provides are carefully targeted to the audience. The topics under discussion in the seven groups of 50 "folders" range from using Windows 95 to dealing with breast cancer.

When I checked out the live chat last Wednesday - at 11.30pm California time, or 2.30am New York time - 17 vivacious SeniorNetters were exchanging electronic natter. Notable among them was a lady of 75 from Kentucky who went under the cyberspace nom de plume of Wildcat, presumably out of loyalty to her local basketball team. "On the Internet," said one SeniorNet staffer, "no-one knows

whether you are 75 or 85." SeniorNet's online presence and its Internet Web site have other features. But these resources alone raise an interesting point. Critics of the Internet have pointed out rightly, in my view - that virtual reality runs a poor sec-ond to reality: that chatting across a dinner-table is more friendly than chatting across the ether; looking at paintings in a gallery beats downloading bitmapped versions to a screen; carrying a telescope uphill to see the stars is more fun than surfing astronomy Web pages. But many old people do not have access to these things. They are house-bound, either because of their own frailty or because they must care for spouses. Their social lives are often limited by geography or money.

For them, as for younger people with similar disadvantages, the second-best solution of cyberspace is a great deal better than nothing. Senior-Net may seem cranky today; but a decade from now, granny power will be a powerful force in cyberspace.

Tim.Jackson@pobox.com

A teleshopping-free zone

The future of home order TV in Germany hangs in the balance, says Judy Dempsey

f Germany's Home Order Television (HOT) had its way, it would today be broadcasting around the clock on satellite and cable, persuading its audience to buy goods ranging from cars and clothes to holidays and shoes. But it cannot.

Teleshopping in Germany is severely restricted by law. Set up last autumn, HOT, which is jointly owned by Pro-7, the fast growing independent commercial television network, and Quelle, Germany's largest mail-ordering group, intended to change the Rundfunkstaatsvertrag, or broadcasting law. They also wanted to change audience-viewing habits. encouraging them to spend more time watching television and using the medium as a consumer tool.

The law states that home teleshopping must be limited to one hour a day. That applies to the state-run ARD corporation which is the public service broadcasting network for television and radio, ZDF, the second state television channel, and all the private television

and radio stations.

The reasoning behind the law had two strands or elements. "First, television is a public service and that is its priority. Second, although it is now being debated, teleshopping is still considered by some of the television regulators as opinion forming and should be limited." a Landesmedienan-

lates television. Its main function is to ensure that a wide variety of quality programmes reaches German homes. To do this, the Landesmedienanstal-

staatsvertrag.
But as the case of HOT

HOT first received permis-

for such goods."

stalten lawyer explained. The 15-member Landesme-dienanstalten essentially regu-

ten can issue broadcasting licences. It can also issue network access licences, and it is the watchdog for the implementation of the Rundfunk-

shows, the regulators have found themselves in a quandary about how to define home teleshopping in such a way that the role of public service broadcasting would not be undermined.

sion from the Bavarian television authorities - a member of the Landesmedienanstalten to set up a pilot project to broadcast several hours of teleshopping on two channels in the Munich and Nuremberg We were very excited about

the challenge," said Alexander Fink, a spokesman for Pro-7. We were convinced that teleshopping was not broad-casting in the strict sense. It is about distributing products. And since teleshopping is product information as opposed to opinion forming, we argued there should be a channel

Germany's giant mail-order-ing houses, including Otto Ver-

sand and Quelle, can see the advantages. It would reduce overheads for catalogues and they reckon teleshopping business would increase retail sales by more than DM500m (\$349.2m) within five

> At the moment, retailers can sell their products only through non-German-based teleshopping channels. If they chose, they could sell their products on the Internet.

"Of course you are not breaking German law if you buy products on the Internet or through the various home shopping services which are offered by banks and other institutions," a media legal

expert said.
"What distinguishes home teleshopping which is broadcast on the public television and radio channels from the Internet and banking services is that the former is public and general, and the latter concern only the individual," she explained. That accounts for the divisions of opinion among

the state regulators about No sooner had the pilot project been set up last October than HOT sought permission from the Landesmedienanstalten to broadcast via satellite, cable, on digital or analogue and across Germany. Then the trouble started. At a meeting in November, HOT failed to win the support of the state regulators. The regulators did

not even support Bavaria's ini-tial permission to grant the pilot project to HOT. "The problem is that the

legal framework about home teleshopping is not clear," said Thomas Kreyes, of RTL, Ger-many's leading commercial television network. RTL has already campaigned in the courts to stop HOT from broadcasting, fearing an advertising challenge. After recent hearings

trative court - courts which deal with public administration including the granting of licences - and Bavaria's constitutional court, the future of HOT remains uncertain. The Landesmedienanstalten

between the Bavarian adminis

are reluctant to grant HOT a licence to broadcast, or ban it completely, because the law is unclear.

The courts are waiting for the regulators, still locked in discussions, to draw up a new Rundfunkstaatsvertrag which will set out new limits for home teleshopping. And the regulators themselves are waiting for the European Union to set out broadcasting guidelines as well.

"I think it is a matter of time before teleshopping will be allowed in Germany," said Fink. Then the task will be to persuade the television-shy German to spend more money looking at television, and to start shopping from

(www.crummer.rollins.edu) is

the business school of Florida-

based Rollins College. A nice,

useful site, with details of the

curriculum, technology ser-

vices and information about

the local community for pro-

High Technology Careers

magazine (www.hightech

careers.com) allows users to

search a database of 9,000

career opportunities by key-

word, post your CV to employ-

ers online, or even create your

own CV homepage for employ-

ers to browse - or indeed, to ignore - at their leisure.

stevela mcoook, demon, co.uk

spective MBA students.



BUSINESS INFORMATION



THE RIGHT **BUSINESS INFORMATION**

In the age of information, the hard thing is to find the right information; key company information that's relevant and

FT McCarthy is your vital source. Our network can provide comprehensive information on the exact companies and sectors that interest you. Every day we gather information from the world's top business publications it would take you all day just to read them - sort it, and store it. You can access just what you need - by company, by industry, by country or by market, industry speculation as

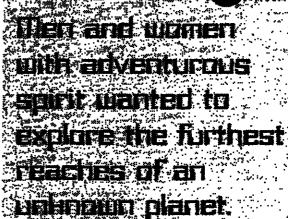
Access is on CD-ROM, online or hard copy, so it's easy to be on the right side with FT McCarthy. Start today by sending the coupon.

FT McCarthy. The right business information

Complete this coupon and send it to: Michael Ridgway, FT McCarthy. Financial Times Information, Fitzroy House, 13-17 Epworth Street, London EC2A 4DL Telephone: 0171-825 7953. Please send me details

FINANCIAL TIMES

Pringiples and the sensite that gives you the best of the set, the set, the set of the set of the set. The set of the set



The Financial Times plans to publish a Survey on
Franchising
on Tuesday, March 5th.

This survey will focus on areas such as research for potential franchises, explores sources of funding available and highlights the specialist help avaitable. For more information, please contact

Lesley Sumner Tel: +44 (0) 171 873 3308 Fax: +44 (0) 171 873 3064

FT Surveys

Get real-time quotes, Forex rates and news headlines on your PC with Signal! For more information call 44 + 171 600 6101



Every day, we help thousands of people like Zoe fight cancer.

Give people with cancer a fighting chance

(Cheques payable	ke a denotion of £ to: Imperial Cancer to my Acces/Ve	
Expiry Date/	Signature	
Mt/Mrt/Mss/Ms Address		
C Impe	erial Cancer erch Fund	Postcude Please return your donation Imperial Cancer Research i FREEPOST (WC40663)

Cyber sightings

 Sotheby's auctioneers (www.sothebys.com) is a nice site with lots of good information including details of highprofile featured sales, such as the estate of the late Jacqueline Kennedy Onassis.

it also has notes for the beginning investor and a worldwide auction calendar. If you have not yet encountered the "Market Mavens". their investment analysis is available through Pinson & Associates' Financial Center site (www.tfc.com), a useful and interesting review of

activity on Wall Street.
It is also easy to use, with regularly updated quotes and • Stan & Dan: The Stock Guys! provide a daily fax service for short to intermediate term stock traders. At their basic web site (www.dirs.com/ invest/dfax) US residents can sign up for a free one-week

 Volunteers for Peace is a Vermont-based organisation, related to Unesco, that organises volunteer work camps in 60 countries worldwide. For details of programmes, check their site at www.vermon-

tel.com! vfp|home.htm • To Fly is Everything ... (http://howaii.cogsci.uiuc.edu/ invent/airplanes.html) is a fascinating virtual museum describing the invention and use of flying machines. It also offers good narrative and more than 300 still photographs from the Library of

Congress collection CyberJoe's Internet Café (www.cyberjoe.co.za) in Port Elizabeth, South Africa, is a

nice site (although the graphics are a tad garish) with some interesting links to other spots in South Africa, including a useful indexed search facility through Marques Systems. Definitely an area that is worth watching.

Deutsches Spendeninstitut

Krefeld (www.dsk.de) is the site of the German Charities Institute - a tremendously comprehensive site covering every aspect of volunteer work and philanthropic organisations in Germany.

There is a dual-language intro, but it is in German when you're searching. Quotesmith Corporation (www.termquotes.com) gives details of the rates of 160 US life assurance companies. It offers a personalised price comparison service, for US residents only, but it is worth

a browse if you're in the insurance sector. Crummer Graduate School

www.ft.com www.usa.ft.com A the end of February a remarkable event will take place in St. Petersburg. The old bones of the last Tsar wandalism that the city would be signing its own death warrant. The rare thing about cities like St Petersburg. Venice. of Russia and of his family who were slaughtered with him on July 17 1918, in Ekaterinburg, will be entombed with their Romanov ancestors in the cathedral of the Fortress of Saint Peter and Saint Paul. This strange act of reparation will be a difficult one to choreograph in spite of taking place in a city designed for imperial

St. Petersburg is one of the very finest architectural landscapes in the world. In every way it parallels the earlier splen-dours of Venice, and yet it has a character and a romance entirely its own. As an important part of our shared architectural culture, the city needs a vast amount of international support. Twenty-five years ago a brilliant small organisation was set up by English lovers of Venice called Venice in Peril which has funded and carried out the effective restoration of many important buildings in the city. It is time

for a similar initiative for St Petersburg.
In the euphoric days immediately following the collapse of Soviet communism there were mad and worrying schemes for the modernisation of the city. The plans for the giant Peter the Great tower seem to have slowed down and will probably be dropped. If it were to go ahead, it would represent such an extreme act of cultural

New Delhi, and Washington is that they were built as political demonstrations of imperial or "democratic" power - they have intense meaning which is expressed in their plans and their architecture. Although they have to thrive commer-cially, the reason for their existence is beyond commerce and aspires beyond

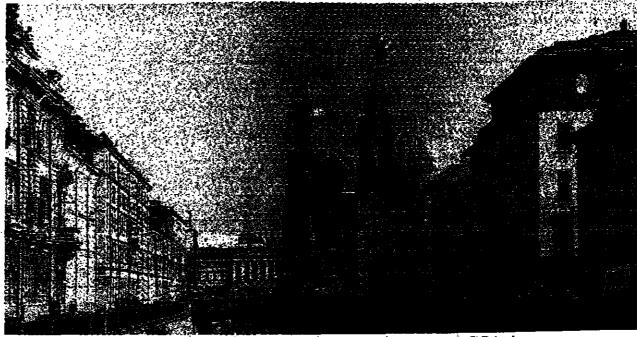
How can the palaces of Saint Petersburg be restored and repaired in a city where the only Tsar is a pile of bones; the only garrison is a force of police; the only aristocrats are the international tourists graded by the depth of their purses? Although the obvious places, such as the Winter Palace and the Hermitage, look presentable, a great deal of work is needed to deal with an increasing flow of visitors. Facilities in museums both for the conser-vation of art and the services for visitors are improving all over the world. Russian standards will inevitably have to change.

The danger is that the intangible quality of these collections in palaces will be disturbed by modernisation. As a visitor in the Winter Palace, you are remarkably free - it is still possible to be the only person standing at the central window of the south facade of the palace looking at Alexander I's column imagining both the glories of Napoleon's retreat from Russia and the horrors of Bloody Sunday. All around you are the masterpieces of Antonio Rinaldi, Bartolommeo Rastrelli, Carlo Rossi, Giacomo Quarenghi, and that German genius Andrei Stakenschneider. There is a sense of a place designed to be not so much "a window on the west" as a civilised world of its own.

The arrival in London last year of the

great Wedgwood service commissioned by Catherine the Great prompted thoughts of the little palace for which it was commissioned. On the elaborate travels of the Tsarist court between the Winter Palace and Tsarkoye Selo resting places were needed. It was in the suburbs of St. Petersburg on the marshes that Catherine ordered the building of the Chesme Palace. Here courtiers dined from the Wedgwood "Frog" service, contemplating the sepia views on their plates of picturesque British houses and landscapes. The palace and neo-gothic chapel at Chesme today are surrounded by ugly flats.
Similarly, the beauty of the Kamenos-

trovsky palace on its own island in the Neva to the north of the city is compromised by its use as a sanatorium. The riverside park and English-style late eigh-teenth century gardens all survive and with a little help could be quite magical. But the two palaces that need help, and quickly, are the Alexander Palace at Tsar-



Dostoyevsky's "most fantastic city": the Griboedova canal and the Church of the Resurrection in St Petersburg

koye Selo and the Constantine Palace at terpiece by Giacomo Quarenghi. Streins on the road to Peterhof, with its park running into the Baltic. The naval presence at the Alexander

Palace cannot last much longer and the restoration of the last home of the Romanov family can perhaps begin. It was from here that the last Tsar and his family were taken to their deaths. Their possessions apparently survive to a large extent, having been carefully put away. Apart from the historical importance of the palace it is a neglected and hidden architectural mas-

The palace at Streina has a future, probably as a great hotel. It should become a civilised enclave away from the city, which could be reached by water. It was built in 1711 for Peter the Great by the French architect Alexandre Le Blond, and

- romantic but decaying fast. These are the important buildings that need help and protection. Every palace has its fine outbuildings and temples and fol-

has a magnificent ballroom and glorious stables. Today it is the saddest of palaces

lies in the parks. While UK citizens worry about the future of the perfectly secure Greenwich Royal Naval College, the great European glories of Saint Petersburg are just as much our responsibility. The romance of Russia is strong and can inspire international support and help. It is not too much to hope that a realistic rescue be initiated for what Dostoyevsky called the "most fantastic" city.

Colin Amery

wouldn't call us athletes exactly," mused Richie Burnett. __ "Maybe leisurely sportsmen. It's just getting paid to show off really." Half the Rhondda Valley, a gritty former coal-mining area of South Wales, seemed to be at the Lakeside Country Club. in the heart of Surrey commuter-land, watching Burnett throwing his heart out in an attempt to remain World Darts Champion.

The Lakeside's vast ballroom was packed with 1,300 partisan and highly vocal supporters. Anyone visiting the Kingsland Tavern in Southampton that night would have been in for a dull evening. The pub landlord, bar staff and most of the customers had deserted their local to cheer on Les "Danger" Wallace, star of the pub darts team in his bid for glory at the

Wallace, a 33-year-old plasterer taking a break from the building trade while he attempts to turn full-time darts professional, entered wearing a kilt and carrying the cross of St Andrews. His fans were hoarse with excitement as he stepped up to throw the first leg against lan Brand, a relative unknown.

Backstage, Burnett was watching on a TV monitor, having already qualified for his own quarter-final "I think the game makes great TV. Watching two fellers sweat to death wanting a double-top," says Bur-nett. "Most people have played darts. Know how hard it can be. How many of us have ever sat in a Formula One car? You don't know what it's like to drive one. Neither

Since he won the Embassy World championship a year ago, life has changed beyond belief for Burnett. The prize-money alone was £36,000. He drives a top of the range sponsored car. In the pubs and clubs of South Wales he has the kind of celebrity that once upon a time only pulling on a red rugby jersey at Cardiff Arms Park could

"You can make a reasonable living out of it now," Burnett says. "I don't play many competitions. Most of the work is playing three or four



KEITH WHEATLEY

Breweries are the usual promoters of these events, as darts in Britain is a pub game. Robert sation claims 8m people play regu-larly. He has no doubt of darts' true status. "It's a sport. No question. It's a very physical game," states Holmes. "The physical control of muscles and the stillness and control at the oche is very, very

Up at the oche in a quest for status

The Sports Council, Britain's official bureaucracy in the absence of a Sports Ministry, is equally sure of its position. "Darts is an unrecognised activity as far as we are concerned," sniffed a spokesman, after consulting the appropriate manual. Snooker, curiously, does qualify as a sport as far as Whitehall is con-

Richie Burnett works out by sparring with boxers at the local gym. He looks trim and in good shape, and could have been a contender in the long tradition of Welsh welter-weights. "There may be a few boozers and smokers left but most players want to stay fit,"

have a drink in the two weeks leading up to the championships.

Beer, or more specifically lager. is where darts traditionally loses credibility in its claim to be a mainstream sport. Very few athletes in other disciplines prepare for their event with the quantities of alcohol that are part and parcel of life on the 501-circuit.

"Tonight I was careful to have no more than four pints before playing. Just enough to settle me down," explained "Danger" Wallace after his 3 sets to 1 victory over Brand. "When I go out with the Kinglsand team on a Monday night I like to have a real drink."

It is tempting to think this might be a leg-pull. Qualifying for the quarter-final netted Wallace nearly £5,000. Can you really play for serious money having drunk enough to doubly-disqualify a car driver from taking to the road? Obviously yes.

he says, adding that he did not In the players' ante-room, with three practice boards, the bar is doing a roaring trade.

At the sharp end, under the lights and TV cameras, things are a little different Discreet glasses of mineral water and orange juice are the thing for the BBC, which is

broadcasting the championship.

Last year 10m people watched the
Sunday night final between Burnett and Dutch player Raymond Barneveld. Another 1m viewers ware in the Netherlands where darts, unknown a decade ago, is enjoying huge popularity. A size-able Dutch contingent had come to Surrey this year to cheer on both Barneveld and Roland Scholten. 'We play every week in Nijmegen. It feels a little adventurous because you have to go to the pub to play,"

explains Henk Kerssies, a teacher. In his party are several other teachers, a law student and a computer engineer. In mainland

Europe, darts lacks the blue-collar heritage that in its 1970s UK hey-day made proletarian celebrities out of players like Eric Bristow, "the Crafty Cockney", and Jocky Wilson, a Scots ace with a huge beer belly and few teeth. When a Norwegian darts team visited recently they were appalled to be asked to play in pubs rather than the pristine sports centres they use back home.

Darts has always been a little bit out on the edge. Early this century British pubs were regularly prose-cuted for allowing it to be played. It was not until 1908 that a Leeds publican appeared in court and convinced the justices that it was a "game of skill rather than chance" and thus legitimate on licensed premises. One has to agree. Even the most casual player knows how the board shrinks and the darts wobble when only one of those tiny segments will clinch victory.

"It's a simple game but it's taken me half a lifetime to be able to stand up there and hit a double when I need it," explained "Danger" Wallace, glass in hand.

GROUP

Together #P they give you the latest news. Instantly.



The Financial Times Group and Agence France-Presse have joined forces to provide fast, accurate and incisive financial, economic and business news.

AFX NEWS is a real-time English language European financial newswire which can be delivered through most major market data vendors and across your internal PC network.

AFX NEWS has reporters in all the key European and international markets feeding over 500 news stories a day direct to your screen.

So, for independent and succinct reporting on economic, corporate and market news, contact AFX NEWS direct, or your local data vendor today.

FOCUS ON FINANCIAL EUROPE A TOINT-VENTURE OF FINANCIAL TIMES GROUP AND AGENCE FRANCE-PRESSE

AFX NEWS 13-17 EPWORTH STREET, LONDON EC24 4DL (44) 171 255 2552 FAX (44) 171 490 3007 EMAIL: AFX.SALES @ FT. COM AND NEW YORK (\$4 (212) 641 3418

THE WEEK AHEAD

DIVIDEND & INTEREST PAYMENTS

Anglian Water 12% Bd 2014 Y700000.0

Bridgend 0.1p Chemical Banking Snr FRN 2000 \$158.95 Chichibu Onoda Cement 7% Bd 1999 Y700000.0 Commonwealth Bank of Australia 12%% Nts 1998 A\$127.50 DKB Fxd/FRN Jul 2004 \$16593.75 Dixons (Cap) 634% Cv Gtd Bd 2002 £337.50

European Colour 0.775p Do 6½% Cm Pf 6.3p Get Grp 3.3p Guinness Fin 9% Gtd Nts 1996 I & S UK Smaller Co's Tst 1p Inter-American Dev Bank 121/2% Ln 2003 £6.25 Irish permanent FRN 1998

Kobe Steel 6.9% Bd 1998 Y890000.0 Do 6.9% Bd 2000 Y690000.0 Kubota 6.9% Bd 2000 Y690000.0 MMT Computing 4.4p Mitsui Fxd Rate Nts 1999 Y400000.0 Do Fitg Rate Nts 1999 Y206667.0 Morgan Crucible 6.25p NKK 7% Nts 1997 Y700000.0 NFC 1.6p

£182.67

Parkland 2.20 Holls-Royce 2p Sapporo Brewaries 5.9% Bd 2003 Y590000.0 Do 7% Nts 1997 Y700000.0 Takashimaya 5.6% Bd 2001

Y560000.0 Do FRN Jan 1998 Y18800.0 TR Property Inv Tst 0.42p Uny 3.8% Nts 1998 Y380000.0 Warner Howard 3.15p

TOMORROW CPL Aromas 1.6p Crown Eyeglass 4p Eksportfinans 10% Nts 1996 \$500.0 Henderson Admin 13.5p Japan Airlines 6.9% Bd 2001 Y690000.0 Do 6.9% Bd 2002 Y690000.0 Kobe Steel 6.9% Bd 2001 Y690000.0 Do FRN 1996 Y17090.0 Leo 1 Class B Mtg Bckd FRN 2035 £2276.04 Leo 2 Class B Mtg Bckd FRN 2032 £217.80 National Power 5.4p Powell Duffryn 8p VTech (London) \$0.025 Do (Bermuda) \$0.025

WEDNESDAY JANUARY 10 Anglo American Coal R3.0 Apollo Metals Cv Rd Pf 4p Collateralised Mtg Sec (No 11) Class B FRN 2028 £213.74 Dawson Int 1.5p Gleeson (MJ) 11.45p 1996 £120.0 Guinness 21/2% Cv Nts 1997 IR£1250.0 Lothbury Fdg No 1 Class A1 FRN 2031 £1134.0 MBL Fin (Curacao) 8%% Gtd Bd 2001 \$887500.0

Mitsui Fxd/FRN 1996 Y8294.0 Morris (Philip) \$1.0 Northern Elec 63.5p Policy Portfolio 2p Property Partnerships 2.8p Scottish Value Tst 1p UK Estates 0.15p

THURSDAY **JANUARY 11** Barclays Und Prim FRN \$305.12 Body Shop 1.08p Clyde Blowers 4p Diploma 10o Edinburgh Inc Tst 1p European Motor 2.2p Export-Import Bank of Japan 8½% Gtd Bd 1996 \$425.0 Granada 11¼% Bd 2019 Hadleigh 1,75p Heath (CE) 3p Highland Distilleries 6p Kwik Save 14.05p Molyneux Estates 2.25p Nihon Doro Kodan 9%% Gtd Bd 1996 \$481.25 Oceana Cons 0.75p Peoples Construction Bank of China FRN 1998 \$319.44 Do FRN 2000 \$324.56 South Wales Elec 100p Tams (J) 1.6p Warburg (SG) FRN 2006 \$303.47

FRIDAY JANUARY 12 Anglo American Corp of South Africa R1.30 Argentaria Cap Fdg Class B 9% NVTG DM Euro Pf DM0.90 Bath Press 0,14p

Conversion 9% Ln 2011 £4.50 Conversion 93/2% Ln 2001 24.75 British Inv Tst 2.2p Caffyns 5p se Française de Dev 1214% Gtd Ln 2013 £306.25 Castings 1.22p Chrysler \$0.60 City Merchants High Yield Tst

2.25p Cropper (James) 1.1p Dart 1.9p **EMAP 3.7p** F & C PEP Inv Tst 2.35p Forward Grp 3.2p Invesco English & Int Tst 0.4p Jarvis Porter 2.15p Jos 3.33p Mercury European Privatisation Tst 0.6p ML Hldgs 0.35p Morgan (JP) \$0.81 Nissho Iwai 3.9% Bd 1998 Y390000.0 Pillar Property Invs 1.5p RPC 1.2p River Plate & Gen Inv Tst 7.04p Shanks & McEwan 1.20 Sime Darby M\$0.165

600 Grp 0.75p Spandex 1p Standard Chartered Und Prim Cao FRN \$297.08 Do (Ser 4) \$301.56 Tiger Oats R0.695 Trace Computers 1p

■ SUNDAY JANUARY 14 Funding 31/2% 1999/2004 Treasury 13% 2000 26.50

UK COMPANIES

TODAY **BOARD MEETINGS:** Barr (AG) Inspirations Treatt Calluga Ellis & Everard Westport

TOMORROW COMPANY MEETING: Carr's Milling Inds, Crown BOARD MEETINGS: Final: French interims Tomorrows Leisure Universal Salvage

VHE Hidgs WEDNESDAY

Jersey Elec

Banks (Sidney C)

Interims:

JANUARY 10 COMPANY MEETINGS: Fenner, 23, Great Winchester Gleeson (MJ), Haredon House, London Road, North Cheam, Surrey, 12.00 Shaftesbury, Pegasus House, 37-43, Sackville Street, W., 12.00 UPF, Goldthorn Hotel, Penn Road, Wolverhampton, 11.30 Wigmore Property Inv Tst 155, Bishopsgate, E.C., BOARD MEETINGS: Pinals:

Dixons **Ewart** Fleming Int High Inc

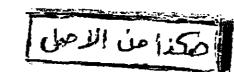
THURSDAY JANUARY 11 COMPANY MEETING: Foreign & Colonial PEP Inv Tst, Exchange House, Primrose Street, E.C., 11.00 BOARD MEETINGS: Finals: Denmans Bec Lonatio Lowe (Robert H) RCO Interims: Carpetright

Jones Stroud Jurys Hotel Matthew Clark

FRIDAY **JANUARY 12** COMPANY MEETING: Perpetual, Phyllis Court, Henly-on-Thames, Oxon,

Company meetings are annual general meetings unless

Please note: Reports and accounts are not normally available until approximately six weeks after the board meeting to approve the prefirminary results.



SYRACUSE egst to deckeenville in

BOLOGNA

venn. Palsiello wrete 788) was one of the mest popular in rus lifetime. Buţ his mus c has fared poorly in recent style is considered too t and frivolous. A rare molinara", opening

ROME is boing treated to two staging last autumn suggested that, despite onoruses, the opera expends thugh energy

ARTS LONDON

BARBADOS Barbados Jazz festivali throughout the five day party, with sets from ndos vetetad Stac Tradey, asing Guban star Genzalo Rubalbaba inghti and US fusionat

The master builder

. Andrew Clark talks to John Conklin, America's leading opera designer

on New York's Upper West side. At one end you have a panoramic view of the Hudson River. At the other, the prospect is even more absorbing. Strewn around the breakfast table are stage models, design artefacts and sketches. John Conklin's home is inseparable from his workspace.

Conklin, 58, is the leading opera designer in the US. This month he has two shows opening on either side of the Atlantic - both adaptations of recent successes at Glimmerglass, the thriving festival in upstate New York where he has just been appointed director of productions. L'incoronazione di Poppea has five performances at Brooklyn Academy of Music starting next Saturday. Don Giovanni begins a threemonth run at Stockholm's Folkoperan on January 23.

The lead-time for opera is such that Conklin's mind is already on other tasks. His immediate preoccupation is Götterdämmerung, opening at Chicago's Lyric Opera on March 9. Then he must get to grips with Cavalli's Calisto and Jack Beeson's Lizzie Borden for Glimmerglass in the summer. He is also designing a musical for San Diego: a stage model for a backers' audition sits on his bookcase. Conklin works fast and thinks nothing of juggling several projects at once.

Most US companies have a Conklin production in their repertory. His collage-like, post-modern style has proved less popular in Europe; he has designed only one production in the UK - ENO's Tosca last season, for which his Roman abstractions made a striking backdrop. Conklin's work may not match the visionary quality of some leading designers, but he is hard to beat for solid professionalism.

He is also extremely prolific. Some critics have accused of him cranking out too much, because of what they see as a "family resemblance" in his designs. Conklin pleads guilty. Hauling out a drawer of cast-offs from old stage models. he spreads them over the table and starts to identify each one: a piece of panelling for the Met's I Lombardi, an arch for Chicago's Tancredi, a columned facade for a Faust that never got done.

"The way I work is controver-sial," he confides. "I have a reper-tory company of model pieces which I tend to recycle A lot of people think that's cheating - it seems a bit derivative, like I'm cannibalising myself. They could be right, but I'm not sure everyone doesn't work that way."

Conklin says that even when a set

magine a roomy apartment is finished, he likes to play with each element to see what it can do. "I'm a great fan of the accident the back of the piece instead of the front, the wrong piece of scenery flourishing where you never expected. It's a bit like a jigsaw. You use them, interchange them, eliminate them. I hate scenery that can only

be used a certain way." Conklin has had a gilded career. He studied art history at Yale and made his first stage designs at drama school. In the early 1960s he spent two summers at Bayreuth, where he was mesmerised by Wieland Wagner's "seemingly abstract productions - but they weren't emotionally abstract". Returning to New York, he took what he calls the "classical American route" of assisting on Broadway in winter and designing for spoken theatre in summer. "That was my training ten years of summerstock theatre at Williamstown, Massachusetts. We did Shakespeare and Chekhov, all very intense. Opera came later. I now try to do both equally."

n that respect he is unusual, because opera and theatre in the US do not cross-fertilise the way they do in Europe. Conklin says the word "operatic" is viewed with disfavour in American theatre circles. "It means a kind of stupid excess, but also a freedom and scale of emotion that the US theatre lacks. A lot of it is economic. Regional companies can't afford plays with big casts, so people write for three characters and a single set. That's one reason why Angels in America was such a huge ness of expression."

When he enters an opera house, Conklin speaks as a man of the theatre. He is notorious for his absence on first nights, arguing that current operatic practice allows no development when a production reaches the stage. "It's painful - you're not learning anything you can do something about. Instead of it being a form of interchange between audience and stage, the audience feel they're being shown this thing, and they either understand it or they don't. In theatre, the creative team stands behind the audience, feeling it through their eyes. You have a chance to correct your mistakes. Opera should

wise up on the preview system." He is curiously ambivalent about many of the works he has designed. He regards La bohème as "the greatest opera ever written, but I can't help mistrusting Puccini - so compelling on the one hand and so trashy on the other". He has twice



John Conklin: 'It's a bit like a jigsaw. I hate scenery that can only be used a certain way'

designed The Ring, for San Francisco in the mid-1980s and now in Chicago, but dismisses it as "one of Wagner's less interesting pieces". Hindemith, whose Mathis der Maler he designed for New York City Opera last autumn, "had the dramatic instinct of a flea", and most modern operas are "too intellectually worked-out - they're not written by theatre animals". His heroes are Bernini and Handel, "the perfect combination of feeling and theatre".

Conklin has reached the stage where he can afford to be choosy. He prefers directors who allow him "dramaturgical partnership": Mark Lamos, Rhoda Levine, Jonathan Miller and Francesca Zambello top his list. "I like working with people who don't come with fixed deas of what they want, who use working out ideas. That gives me a chance to share in the total event. instead of giving visual form to ideas the director has already formulated. Theatre is an organic process, it must be allowed to go off in directions that are not planned. There's nothing more boring than sitting down, planning an idea and

Although he has no desire to critic or an expert - has to interpret direct opera, his new role at Glim- it for them." merglass gives him a major voice in planning and production. He sees a future in operatic adaptations on the lines of Peter Brook's Tragédie de Cormen, because "it's a more honest way of dealing with a director's concept. We all want to counteract the feeling of 'museum opera', but if directors are unable to shape the whole of Lucia coherently, they should say this is our meditation on *Lucio*'. That would be better than doing something incomprehensible and telling the audience they're stupid. The audience is

sometimes right to say it's wilful nonsense." On the other hand, Conklin does not believe in giving the audience explanations. He was intrigued by the different interpretations given to the Glimmerglass Don Giovanni, in which Mozart's libertine spent most of the performance in a wheelchair. "Someone said it was like he had syphilis, which strikes me as perfectly valid. But if I'd said what my intention was - which people always want you to do - that imagery would have been blocked. The death of art is when people are

made to feel that someone else - a

He says audiences need to be challenged and mystified in ways that lead into themselves. "I would encourage them to perceive a stage picture as something they're free to wander in like a wonderful dream, with their own thoughts, feelings and reactions. You don't need to be educated in Caspar David Friedrich or Edward Hopper to do that. If you are familiar with Friedrich and Hopper, of course you're going to wan-der in a different way."

Conklin's experiences in the intimate setting of Glimmerglass have made him disenchanted with big US onera houses. He says the Met has the best technical back-up of any theatre in the world, "but I'd rather have \$1,000 and work on Ulisse with a wonderful director. When you start your career, you need money to show what you can do, but you never have it. When you're established, you have the money but don't need it. Building a set for an audience of 4.000 may be interesting and powerful, but it's not quite the essence. All you need is a small space, a few singers or actors, and a little help from a director and designer. The rest is a cover-up."

Obituary

Lincoln Kirstein

founder of New York City Ballet; poet, patron of the arts, polemicist, collector, critic, philanthropist, died in New York last Friday at the age of 87. He had many claims to fame, as he had many interests in the arts to which he gave passionate and practical service. But it was his collaboration with George Balanchine in establishing classical ballet as an American art that must take a pre-

eminent place in considering his

achievements, and this must be seen as the crown of his life's work. Kirstein was a man of Protean gifts and immense intellectual and organisational energy. He was one of those rare talents who touch the entire artistic life of their time. Ballet, film, literature, theatre, music, painting and sculpture all occupied his attentions. A First Bibliography, published to celebrate his 70th year, cited material under all those headings, and added to that tally writings on architecture, photography, history, politics, as well as fiction and poetry, and - in an attempt to catch the quicksilver of 473 entries

 - "other subjects". These many and seemingly dispa-rate concerns were united by a guiding intelligence which was both uncompromising and uncompromisingly generous, and served as the artistic conscience of an era. This was the essentially American quality of his work: that desire to ameliorate and inspire a society to the goal of a more humane and imaginatively rich world. Kirstein was a man whose greatness was matched by his generosity, and by the grand extent of his work as intermediary between the arts and a vast public who benefited from his genius.

Lincoln Kirstein was born on May 1907, the second of three children of Louis Edward and Rose Kirstein (His sister was the distinguished writer, Mina Curtis). At Harvard Kirstein started the influential magazine *Hound and Horn*, in whose pages such writers as T.S. Eliot, Ezra Pound, James Agee, Edmund Wilson and e e cummings were published.

In 1928, with two Harvard classmates. Kirstein founded a Society for Contemporary Art, which was a precursor of New York's Museum of Modern Art. And in the summer of 1929, while in Venice, Kirstein was to witness Diaghilev's funeral procession. This must be seen as a portent for the future.

Kirstein was drawn to ballet, and in 1932-3 he met and worked with Mikhail Fokine, and then became involved with Nijinsky's wife, Romola, in the preparation and writing of her biography of her husband. (Matters were not made easier by Mrs Nilinsky's belief that a medium could illuminate the darker passages of her still-living husband's life. The discoveries made by Little Bluebell, a spirit guide, were not, Kirstein noted, of greatest import). In London during the summer of

by Nello Santi, performed by the Metropolitan Opera. Soloists Include

Ghena Dimitrova, Veronica Villaroel

and Michael Sylvester, 8pm; Jan 12,

Saile Pleyel Tel: 33-1 45 61 53 00

Brahms, Performed by the Orchestre

d'ile-de-France Choir with conductor

Orchestre National de Lille: with

conductor Jean-Claude Casadesus

works by Wagner, 8.30pm; Jan 11

Kungliga Teatern - Royal Swedish

The Nutcracker: a choreography

Tchaikovsky, performed by the bailet

of the Royal Swedish Opera House.

Perriraz (Jan 13); 7.30pm; Jan 10, 13

Soloists include Jens Rosén, Ann

Brattselius (Jan 10) and Nathalie

Opera House Tel: 46-8-7914300

● Ein deutsches Requiem: by

Michel Piquemal; 9pm; Jan 12

Théâtre des Champs-Elysées

and bass Simon Estes perform

■ STOCKHOLM

by Par Isberg to music by

Colonne and the Vittoria

Tel: 33-1 49 52 50 50

■ PARIS

CONCERT

incoln Kirstein, joint 1933, Kirstein met George Balanchine, as the latter surveyed the imminent collapse of his troupe, Les Ballets 1933. Kirstein saw the possibility of realising an ideal he already held: the establishing of classical ballet in America. By the end of that year, Balanchine was in New York, a school was opened. and the first steps were made in the creation of the School of American Ballet and of a performing ensemble which is today New York City Ballet. Kirstein, through Balanchine, saw how to make classic dancing that was truly American, truly classic, and truly of its time.

To this ideal he devoted his energies, his knowledge, his prodigious intellectual abilities, his private fortune. In the making of school and company we may perceive the essential selflessness that was central to Kirstein's nature. For all the many other enterprises which he inspired and guided; for all his work promoting artists and sculptors (Tchelichev; Elie Nadelman); for all his writings (and his memoirs, his histories and polemics about dance, are vivid reading) Kirstein devoted himself first and foremost to the support of Balanchine's work. The result was, from 1948, the New York City Ballet, the instrument by which the greatest choreographer of the century made classic ballet an American art. Without Kirstein this would not have happened.

The Kirstein whom I knew and

revered over the years, and laughed with (he had a wicked sense of humour) was a figure of massive scale, the grandly modelled head brooding over the powerful body, invariably dressed in black suit, white shirt, black tie. He was immensely kind, curious about everything, loyal, a wonderful correspondent, full always of schemes and plans to help and promote the arts. His house, crowded with works of art, was an acute reflection of the diversity and impeccable taste of his artistic choices. In his later years he derived profound joy from his reception into the Catholic church, and devoted his time increasingly to writing. Mosaic, published in 1994, is a fascinating first volume of memoirs. He was married to Fidelma Cadmus, sister of the painter Paul Cadmus, who pre-deceased him. Writing about Igor Stravinsky,

Kirstein observed: "Stravinsky has always resisted canonisation ... His mind is too active, restless, sharp, to make comfort for a solid cult. An acetylene torch is bright and cuts steel, but it does not glow like a domestic hearth." They were true of Stravinsky, and no less true of Kirstein. His memorial is not just the New York City Ballet and its School, nor the writings, nor the careers of the artists whom he supported. It is in the fabric of America's artistic life, to which he gave so much, and so nobly influenced.

Clement Crisp

INTERNATIONAL

BERLIN

Deutsche Oper Berlin Tel; 49-30-3438401 Onegin: a choreography by John Cranko to music by Tchaikovsky/ Stolze, Conducted by Peter Ernst Lassen, performed by the Ballett Deutsche Oper Berlin. Soloists include Raffaella Renzi, Christophe Ferrari and Franck Balbi; 7.30pm;

OPERA & OPERETTA Hebbel-Theater Tel: 49-30-2510144 Zaide: by Mozart, Conducted by Christoph Hagel, performed by the Slaatsoper unter den Linden. Soloists include Laura Aikin, Roman Trekel and Pär Lindskog: 8pm; Jan 10, 12, 14 (4pm), 15

■ BONN MUSICAL

Oper der Stadt Bonn Tel: 49-228-7281

 Anatevka (Fiddler on the Roof): by Bock. Conducted by Hansgeorg Koch and performed by the Oper der Stadt Bonn (in German). Soloists

include C. Schreiber, K. Bellinghausen and J. Kommüller, 8pm; Jan 12

■ BOSTON

New England Conservatory -Jordan Hall Tel: 1-617-262-1120 Stephen Drury: the pianist performs works by R. Schumann, Debussy, Hyla, Cage and De Falla; 8pm; Jan 11

■ CHICAGO

EXHIBITION Terra Museum of American Art Tel: 1-312-664-3939 Across Continents and Cultures: The Art and Life of Henry Ossawa Tanner: this exhibition of approximately 65 works presents an overview of the artist's life and work. The display includes seascapes and images of animals and African-American life; from Jan 13 to

■ COLOGNE

THEATRE Schauspielhaus & West-end-Theater Tel: 49-221-2218400 Die Hose: by Carl Sternheim. Directed by Torsten Fischer and performed by the Kölner Theater. The cast includes Alexander Grill, Gunda Aurich and Elfi Garden. This performance is part of a project in combination with the world premiere of Wilfried Happel's "Mordslust"; 7.30pm; Jan 12, 14, 16 Mordslust: by Wilfried Happel. Directed by Torsten Fischer and

performed by the Kölner Theater. The cast includes Alexander Grill,

Susanne Barth and Markus Gertken; 7.30pm; Jan 13, 15, 18

■ DRESDEN

DANCE Sächsische Staatsoper Dresden CONCERT Tel: 49-351-49110 Rot und Schwarz: a choreography by Uwe Scholz to music by Berlioz, performed by the

■ DUBLIN

CONCERT National Concert Hall - Geoláras Náisiúnta Tel: 353-1-6711533 National Symphony Orchestra: with conductor Kasper de Roo. flutist William Dowdall, oboist Matthew Manning, bassoonist Michael Jones and horn-player Lesley Bisshop perform works by Ketting, Mozart and Shostakovich; 8pm; Jan 12

Ballett Dresden; 7pm; Jan 10

■ GLASGOW

CONCERT Glasgow Royal Concert Hall Tel: 44-141-3326633 Royal Scottish National Orchestra: with conductor Walter Weller and mezzo-soprano Irina Tchistjakov perform works by Debussy, Mahler and Prokofiev; 7.30pm; Jan 11

■ HAMBURG CONCERT

Musikhalle Hamburg Tel: 49-40-346920 Cyprien Katsaris: the pianist performs works by J.S. Bach,

Fauré; 7.30pm; Jan 10 OPERA & OPERETTA Hamburgische Staatsoper

Tel: 49-40-351721 Il Barbiere di Siviglia: by Rossini. Conducted by Ivan Törzs, performed by the Hamburg Oper. Soloists nclude Richard Croft, Reinhard Dom and Hellen Kwon; 7.30pm; Jan 12

HELSINKI

OPERA & OPERETTA Opera House Tel: 358-0-403021 Carmen: by Bizet. Conducted by David Stem and performed by the Finnish National Opera. Soloists include Peter Lindroos, Ning Liang and Raili Viljakainen; 7pm; Jan 10, 12, 14 (2pm)

■ LEIPZIG CONCERT

Thomaskirche Tel: 49-341-12700 Weihnachtsoratorium (Part 4 - 6): by J.S. Bach. Performed by the Gewandhausorchester and Thomanerchor with conductor Georg Christoph Biller. Soloists include soprano V. Hruba-Freiberger and alto R. Lang; 7.30pm; Jan 10 OPERA & OPERETTA Oper Leipzig Tel: 49-341-1261261 Die Zauberflöte: by Mozart. Conducted by Jin Kout and performed by the Oper Leipzig and the Gewandhausorchester. Soloists include Gertrud Hoffstedt, Clarry Bartha and Sangho Choi; 7.30pm; Jan 12

■ LONDON CONCERT

igmore Hall Tel: 44-171-9352141 Lindsay Quartet: perform string

quartets by Beethoven; 7.30pm; Jan 10, 12

Divier Theatre Tel: 44-171-9282252 Mother Courage and her Children: by Brecht, in a new version by Hare. Directed by Jonathan Kent and performed by the Royal National Theatre. The cast includes Diana Rigg, Edward Clayton and John Bluthal; 7.15pm; Jan 12, 13 (also

■ MADRID

CONCERT Fundación Juan March Tel: 34-1-4354240 Coro Santo Tomas de Aquino: with conductor Mariano Alfonso and organ-player Javier Rada perform works by Bruckner; 7.30pm; Jan 10

MILAN

THEATRE Teatro Carcano Tel: 39-2-55181377 Twelfth Night: by Shakespeare. Directed by Ennio Coltorti and performed by Kaos (in Italian). The cast includes Renzo Montagnani and Pino Colizzi; Tue - Sat 9pm, Sun 3.30pm; from Jan 9 to Jan 21 (not Mon)

NEW YORK CONCERT

Alice Tully Hall Tel: 1-212-875-5050 Great performers at Lincoln Center: pianist Emanuel Ax performs works by Schubert, Copland, Brahms and Chopin; 2pm; Jan 14 OPERA & OPERETTA Metropolitan Opera House

Tel: 1-212-362-6000 Turandot: by Puccini. Conducted

■ VIENNA CONCERT

Konzerthaus Tel: 43-1-7121211 Finnish Radio Symphony Orchestra: with conductor Jukka Pekka Saraste and planist Alexander Toractze perform works by Sibelius, Prokofley, Dutilieux and Ravel; 7.30pm; Jan 12

WORLD SERVICE BBC for Europe can be received in western Europe on Medium Wave 648 kHZ (463m)

EUROPEAN CABLE AND SATELLITE **BUSINESS TV** (Central European Time)

MONDAY TO FRIDAY NBC/Super Channel:

FT Business Morning

European Money Wheel Nonstop live coverage until 14.00 of European business and the financial markets

17.30 Financial Times Business Tonight

Midnight Financial Times Business

Michael Prowse · America

Confucius rules

America will enjoy an economic lead over Asia for decades, but it could learn valuable social lessons from the region

The US has long regarded Most experts agree that the itself as a natural role model region's success mainly for other countries. For most reflects adherence to ecoof its history it has offered a emingly unbeatable mixture nomic fundamentals: unusuof personal freedom and mate ally high rates of domestic rial abundance. But its status saving and investment, a as a role model is now being strong commitment to educachallenged - not by sclerotic tion, and prudent fiscal and Europe, but by east Asia, a monetary policies. In a 1993 study the World Bank conregion that has enjoyed cluded that Asian experiments annual per capita economic growth in excess of 5 per cent for the past three decades. If with industrial policies were mostly a failure. Some US economists would growth were randomly distribgo further. Paul Krugman of uted, there is roughly one chance in 10,000 that success Stanford University has made himself unpopular in Asian would have been so regionally

Asian economies) are thus

likely to grow less rapidly

As if to confirm this thesis,

Japan's growth rate has

The virtue of thrift

over the next 30 years.

GDP growth

Savings (as % 00P)

Asian leaders are quick to reflects growth of inputs rather than improvements in emphasise that their model of development has social as efficiency. well as economic advantages. Between 1966 and 1990 Sing-Many believe that Americans apore enjoyed annual per capita growth of 6.6 per cent, equivalent to a doubling of livare "too free for their own good". Lee Kuan Yew, the former prime minister of Singaing standards every decade. But over this period, the employed share of the populapore and architect of its economic transformation, was blunt in a 1994 interview with tion rose from 27 per cent to 51 per cent: investment as a the journal Foreign Affairs. percentage of national income Speaking of American society, he said: "I find parts of it rose from 11 per cent to more totally unacceptable: guns, than 40 per cent, and educadrugs, violent crime. tional standards were sharply vagrancy, unbecoming behavimproved. Increases in inputs iour in public - in sum the of this magnitude are unrebreakdown of civil society. peatable: Sineapore (and other

concentrated, the World Bank

Many Americans would retort that Singapore's authoritarianism is even more reprehensible. But they would have to concede that the quality of everyday life is impaired by crime and other social pathologies. It is a sad fact that many Americans are scared to walk the streets near their homes after dark.

Is the US model of individualistic capitalism likely to be superseded in the 21st century by a brand of Asian communitarianism that offers social cohesion as well as economic dynamism?

In narrow economic terms, the US probably has little to fear. Claims in the late 1980s that Japan and the smaller Asian "tigers" had found a new elixir of growth based on a strategic partnership between government and the recent slump) as its living standards have begun to approach those of the US. This is not surprising: it is easier to "catch up" by copying other people's technology than to blaze a new trail of one's But while likely to remain

economically pre-eminent for decades to come, the US still has plenty to learn from Asia, which benefits enormously from its Confucian cultural heritage. Earlier this century western scholars, such as the sociologist Max Weber, tended capitals by arguing that the to blame Confucius for Asia's region's explosive growth economic backwardness.

The Chinese sage - who lived 2,500 years ago - was as hostile to the profit motive as the ancient Greeks. But other aspects of his teaching have stood Asia in good stead. The region's astonishing commitment to investment in "human capital" is a direct reflection of his stress on the importance of scholarship and learning, which has no parallel in western culture.

Perhaps even more important is the emphasis the Confucian tradition places on filial piety and respect for femily The fundamental difference between Asian and western concepts of society. Lee Kuan Yew told Foreign Affairs, "is that eastern societies believe the individual exists in the context of his

US & EU: 1973-80 1981-87 1988-95

Asia: 1978-82 1983-88 1989-94

1973-80 **3**1981-87 **1**1988-86

instruct and mould them. There is no prospect - no retreating from its commit-

industry now seem naive. slowed (and not just during family. He is not pristine and separate. The family is part of the extended family, and then friends and the wider society. The ruler or the government does not try to provide for a person what the family best

> This is indeed a fundamen tal point. A case could be made that all of the US's (and perhaps Europe's) most intractable social problems reflect the fragility of the family. Because Asian nations have been able to rely on family members' Confucian sense of responsibility for each other, they have not needed to create tax-funded welfare states on the scale familiar in the west.

> This has been a twin blessing. Asian nations have enjoyed much lower levels of taxes and public spending. And since families have had to shoulder welfare burdens, personal savings rates have also been far higher. Family cohesion, meanwhile, has helped Asia to avoid the worst excesses of American innercity violence and depravity, which are widely seen as linked to the sharp rise in the proportion of children raised without fathers.

> From a US perspective the advantages of Asian culture are seriously diminished by lts authoritarianism. This, too, is a legacy of Confucian thought which saw the relationship between government and the people as akin to that between a master and pupil The ruler is not responsible for the people's material wel-fare, but he is expected to

> should there be - of the US ment to individual liberties. But its society would benefit greatly if people could be encouraged, voluntarily, to adopt many of Confucius's maxims. I fear, however, that none of this year's presidential candidates is likely to run on a Confucian platform of moral self-improvement, love of learning, respect for family,

LETTERS TO THE EDITOR.

Number One Southwark Bridge, London SEL 9HL

We are keen to encourage letters from readers around the world. Letters may be faited in 144 Kil. 873 5938 (please set fax to fine), a mall: letters editor@a.com. Translation may be available for letters written in the mail international languages.

Turkey needs to seek growth based on traditional Moslem system of values

Sir, in his article "An identity crisis" (January 3), Edward Mortimer rightly identifies ethnic nationalism as the likely cause of socio-economic disruption in

Turkey. However, Turkey's real problem is not ethnic nationalism but Islamic fundamentalism, which is affecting virtually every country in the Moslem world. With the collapse of

communism, an ideological vacuum has come into play in Moslem countries, which is being filled by Islamic

development coupled with the west's biased perception and

the Palestinian issue is pushing more and more young Moslems into the quagmire of Íslamic radicalism.

Islamic fundamentalism however, can be contained, as Malaysia and Indonesia have successfully demonstrated, by developing an economic system based on indigenous social and cultural values. In other words, economic growth driven by, not opposed to, traditional Moslem value systems. Such growth would not only prevent the atomisation of society, but also

marginalise the religious The current economic model which tends to imitate the

hamper the growth of Islamic

Randhir Singh Bains, 34 Shere Road, Gants Hill, Essex IG2 6TG, UK

From A.D. Hoadley. Sir, In your news item about the Turkish elections ("Fear of Islam unites Turkish political rivals", December 27), one phrase stood out in the context of the year-end contemplation of the workings of British parliamentary democracy. There are deeper doubts,

too, about the long-term dangers of exclusion from power of a political movement West almost verbatim, is bound to help rather than which is backed by more than a fifth of the population...".

In the 1983, 1987 and 1992 UK general elections the Liberal/ SDP or Liberal Democrats received 25.4 per cent, 22.6 per cent and 17.8 per cent of the vote respectively, reflected by

3.5 per cent, 3.4 per cent and 3.1 per cent of the seats. In Turkey, at least the Refah party's 21.32 per cent of the votes gave it 28.7 per cent of

the seats. May I suggest that the British electoral system deserves our serious concern regarding the long-term dangers which it breeds.

16 Warren Lane, Friston, Eastbourne, East Sussex BN20 0EL.

Irony of why Emu could hinder aim of preserving European peace

From Mr Paul Craven. Sir, Philip Stephens ("Beyond Madrid", December 15) suggests that British Eurosceptics are "entirely oblivious of history" as "the Bonn-Paris axis guarantees British as well as European security". In writing this, he is sustaining a myth that has been propagated since the fall

of the Berlin Wall. There is no-one who doubts that peace and stability within Europe are both more likely if France and Germany are on good terms. What one might question, however, is whether this provides, and has

provided, a guarantee. Even the most enthusiastic supporters of Franco-German integration would surely agree that the cold war era was hardly a time that could be described as a period of "European security", particularly if one considers the totalitarian regimes of eastern Europe and the tensions in a divided Berlin.

presence of Nato forces

(including a large US presence) and their nuclear deterrent that, in the final analysis, prevented the Iron Curtain

from sweeping further west. Peace has been preserved in western Europe because it has been strong and free; strong enough to face up to the threat of Communism; and free in the sense that truly democratic countries (with legitimate, accountable national assemblies and full enfranchisement) have never

gone to war against each other. Ever-closer ties between France and Germany. including a single currency, may threaten key elements of their respective democratic systems.

Ironically, therefore, Emu could actually hinder, rather than help, the commendable aim of preserving European Paul Craven,

Surrey GU7 1TG.

20 Quartermile Road,

Separate listing proposal should be condemned

A.D. Hoadley.

From Sir Peter Walters. Sir. We should have always expected that regulation of the UK's privatised industries would evolve. However the suggestion from Ofwat, the water industry regulator (Letters, December 29), that a regulated utility subsidiary should be partially listed following a takeover made by its parent suggests that the evolutionary process is going

seriously wrong.
This precedent, if it were allowed, would substantially reduce the threat of takeover for all privatised entities. At the same time, it would create large economic units which were neither controlled by their majority shareholders nor by the minority. In such an environment the dead hand of

complacency flourishes. This would have the effect of acting against customers' interests. Much better to encourage efficient nent to seek new ways of reducing costs and utilising assets more effectively. These efficiencies can then be passed on to benefit both custom

course. Certainly this needs to occur in a strong regulatory framework to prevent monopoly abuse but regulators appear to have these powers already. This requires management to make its choices and be judged by the consequences. No doubt there

will be winners and losers. However, in a global economy where privatisations and private finance initiatives are growing rapidly, the gains for the winners and the British economy are potentially large. The losers will be taken over or lose their jobs, as they deserve. This is how the market expects to work and what investors were led to believe at privatisation.

This precedent, if allowed, would have deeply negative implications for the entire privatisation process both past and future. Politicians and shareholders should take note and condemn this idea to the evolutionary dustbin before it gains a footbold

Peter Walters. London SW1W 9KA, UK

Subtle and psychological factors in the real cost of an asset

From Mr Neil Cummins. Sir I would like to comment on Samuel Brittan's article on rational choice ("Glad tidings of dear joy", December 16/17). The article uses a wine example (a case of 1982 Bordeaux bought for \$20, no worth \$75) to examine the perceived cost of both giving a bottle away, and dropping a

bottle. The point is made that in both situations the "correct" rational answer is \$75 (the opportunity cost). If you drop a bottle that is worth \$75, the "correct" cost to the individual is \$75. The bottle

use whatsoever.

has been destroyed, it is of no

There is, however, a subtle difference between the costs of accidentally destroying an asset and giving it away. To assume that individuals only gain pleasure from self-indulgence, especially writing at Christmas, is very harsh. Many people enjoy giving, and believe that "to give is better than to receive". We only need to look at the huge amount of money donated to charities to see this.

Thus there will be a "feelgood effect" (FGE) of giving the wine away that will partially offset the cost. The money cost of giving is still \$75, but the overall cost of

giving will be \$75-FGE. The recipient (friend, relative or colleague) will be able to enjoy the wine, and thus total social welfare will be higher than if the bottle was dropped. The donor may also benefit in real terms at a later date - the recipient may return a gift. I am sure that a millionaire would feel happier giving

and shareholders in due

\$5,000 to charity than he/she would burning \$5,000 by mistake. Again, the cost of giving is less than the cost of destroying, despite identical opportunity costs. This care for fellow man

makes the "rational" cost of dropping a bottle greater than

the cost of giving that bottle away. There are positive benefits of giving both to the individual and to society as a whole (through an actual pareto improvement over dropping the bottle). It is costs of the two actions are the same, accurate costs include psychological costs. The key to rational decision making is to look at all effects and not just

Neil Cummins, Exeter University, A105, Nash Grove, Ciydesdale Road, Exeter EX4 40Z. UK

Personal View • Michael Cassidy

marketing challenge

Co-ordination is vital if London is to be promoted successfully as a financial centre

The past year was one of considerable achievement for London as a world financial centre. The City consolidated its position as Europe's leading business centre. It attracted significant investment from continental European banks. including Deutsche Bank of

Germany and ABN Amro Bank of the Netherlands. And it underlined its strength in foreign exchange dealing: about a third of world turnover is now traded through London; more D-Marks are traded here than in Frankfurt.

But 1995 also witnessed a keen debate about how best to develop a co-ordinated marketing strategy for the City. In July, the chancellor established a City promotion panel of senior figures such as Mr Howard Davies, Bank of England deputy governor, Sir Brian Pearse, chairman of Brit-ish Invisibles, and representatives from three overseas

Mr Clarke's panel has not yet shown what it is capable of, although promoting the UK's privatisation skills in South America - as the chancellor is now doing - plays to one of the City's great strengths. Next month a Treasury minister is expected to appear before City representatives to discuss the panel's remit.

But the creation of the panel raises questions about how to co-ordinate the work of different bodies such as the Treasury, the Bank of England and the Corporation of London with a vested interest in London's continued success. Some argue - wrongly, in

my view - that no co-ordination is required. They say that the City best sells itself through its own successes and that none of the main prospective participants would consent to pool their efforts. But there is a danger that

the disparate efforts of those interested in the success of the City might confuse the very people they are trying to impress. There are two levels at which this problem needs to First, there is the question of how the City positions itself to

take advantage of market opportunities. This requires There is a danger that the disparate efforts of those interested in the success of

the City might confuse the very people they are trying to impress decision-makers to take a posi-tion on issues such as Europewide financial services regulation and whether the UK should participate in a single European currency and sign up to the social chapter of the Maastricht treaty.

In these areas, a diversity of contributions is helpful. They are issues on which views are often sharply divided. It might be counterproductive to have one particular solution promoted by a single body which other participants are corralled

into accepting. Serious research and careful analysis are more likely to produce a consensus than the efforts of a super City body charged with formulating an overall "City view".

Under the Japanese system, a position would probably be nposed by the Ministry of Finance. In France, this role would be played by the Treasury. But in the UK, the proliferation of representative organisations, such as trade bodies and exchange authorities, makes it possible to develop a flexible response.

Co-ordination of the City's marketing effort, however, is a wholly different matter. It needs energy rather than insight. And, if it reduces the present duplication of effort, it is in everyone's interests.

The current lack of liaison between many of those employed in promoting UK financial services overseas has sometimes meant that two or more City organisations have visited a given financial centre within weeks, or even days, of each other. This has caused dismay and confusion

among those being contacted.
Improvements are also necessary in other areas. For example, publications promoting the City need to be jointly prepared, giving an agreed general message and using common - and up-to-date - statistics. Finally, a list of individuals, willing to comment on City issues in the print and electronic media. needs to be organised. This would help to ensure a coherent and up-to-the-minute response to fast-moving events from someone who is actually

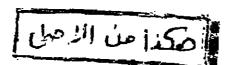
in the thick of the action. This sort of marketing coordination requires a commitment of resources, a team of knowledgeable people and a central organisation prepared to work consistently over a long period to achieve the desired objectives. It is a job which the Corporation of Londog would be well-suited to and well-placed to undertake.

As the City's local authority. the corporation benefits from close, but objective, contact with the square mile's business community and has a proven ability to deliver results. It is not a regulator and there would therefore be no potential conflict of interest between the role of watchdog and the task of promoting London

By the end of the decade, I expect there to be only one global centre of international finance. A co-ordinated - and well-resourced - marketing strategy can help to ensure that centre is London.

The author is chairman of the policy and resources committee of the Corporation of London





FINANCIAL TIMES

Number One Southwark Bridge, London SE1 9HL Tel: +44 171-873 3000 Telex: 922186 Fax: +44.171-407 5700 Monday January 8 1996

Way forward in Mexico

A year ago, Mexico was in the early throes of a financial crisis, the harsh consequences of which will be felt for years. The Mexican economy may already be on the road to recovery, if a slow and uncertain one. But the credibility of the government, undermined by economic disaster and the scandals surrounding the previous administration, will take longer to restore than the economy.

Mexicans naturally blame the government of President Ernesto Zedillo for its part in botching last December's devaluation Since then the economy has contracted by 7 per cent, unemployment has risen sharply and a substantial part of the banking system has been bailed out by the govern-ment. Default was avoided only by \$38bn US-led rescue package.

Even now investors have still to be convinced of the government's resolve. But the administration deserves credit for avoiding populist responses. The pursuit of tight fiscal and monetary policies is the best hope for restoring growth.

Yet it is not enough simply to

impose macroeconomic order. The slow growth that preceded the devaluation was an indication that much more needed to be done to address the structural deficiencies of the economy. At the same time, political assassinations, corruption and drugs scandals, the Chiapas guerrilla movement and the widespread dissatisfaction with the electoral process underline the need for political reform.

Mr Zedillo has to manage a transition to democracy perhaps less dramatic than those in the former communist bloc but at least as difficult as the shift from military dictatorship to democracy in Chile. This means breaking the stranglehold of the Institutional Revolutionary Party on power and providing a level playing field for all political parties in elections.

Pervasive corruption

It includes, too, setting rules to avoid future large-scale corruption and may mean making an example of the most egregious law breakers of the past, while remembering that transitions to democracy normally require amnesties for some transgressors. The pervasive corruption must be reduced, because it has ensured that the deregulation of the economy has achieved less than it should.

Although corruption provides a link between economic and political reform, it would be naive to pretend the latter always makes the former easier. Political legitimacy is a necessary condition for the economic reforms needed to modernise the economy. But reforming the body politic will also raise obstacles to change.

Rubber stamp

Powerful forces will see their interests threatened. The Mexican Congress, once an obedient rubber stamp for the administration is likely to become more obstructive. Congress has already diluted some government legislation, for example, its recent proposal for social security and pension fund reform. It is possible that other needed reforms, privatisations for example, will be rejected.

Yet the political changes are economically essential. Mexico's recent governments have been all too friendly to big business, but much of the dynamism of modern economies is in small and medium-sized companies, many involved in the services sector. Since they lack the political clout of their big brothers, these businesses must be freed from the dead hand of local regulation and corruption. The government has identified the corrupt legal system

as a proper area for reform. Fortunately, not everything depends on securing these difficult political changes. The sharp rise in Mexican exports this year is testimony to the depth of the recession restraining domestic demand. But it also reveals the strengths of the more competitive Mexican companies that have emerged in the last decade.

That the government has pur-sued political dialogue with opposition parties, and has moved ahead with modernising the economy, while pursuing macroeconomic stability, is to its credit. But the recent setback has been profound. The government must realise that promises are now use less. Nothing will do except sustained and determined action.

New frontiers in Japan

ama might have attracted rather less attention, had it not been premature. Mr Murayama was expected to resign in the spring anyway. But his decision to go early has prompted demands for an election which, though unlikely to be met immediately, reinforce the sense that Japan's political development has reached a milestone. The days of factional money politics, when the Liberal Democratic party held seemingly unchallengable sway, have long since gone. But the experience of Mr Murayama's awkward coalition of socialists and conservatives was as sad as the timing of his departure was surprising. From its bungled response to the Kobe earthquake, the government lurched to its half-hearted apology for Japanese atrocities during the second world war, and finally to the most recent controversy over using public funds to rescue bankrupt housing lenders. Japan has still not found a satisfactory alternative to its old

Prime Minister Tomiichi Muray-

pork-barrel style. The waning importance of Japan's celebrated bureaucracy means the civil servants are no longer much help in providing continuity. The resignation last month of Mr Kyosuke Shinozawa, the top finance ministry official, over his ministry's handling of the financial crisis confirms that the bureaucrats who once held astonishing power no longer reign supreme. It came almost exactly a year after a series of resignations at the top of the Ministry of International Trade and Industry, casting doubt on a department traditionally revered as the architect of Japan's industrial strength.

Something new

Into this vacuum comes something new for Japan: the notion that politicians can and should stand for clearly defined policies and make it their business to sell them to the electorate. Mr Ryutaro Hashimoto, who is due to be endorsed today by leaders of the three ruling coalition parties as Mr Murayama's successor, and Mr Ichiro Ozawa, his main opponent of the New Frontier Party, can no longer advance their causes by dispensing and receiving favours in the smoke-filled rooms of the LDP. A long series of party

Friday's resignation of Japanese scandals has put paid to that. Instead they must lead from the front. Both reflect the more nationalist tone of Japanese opinion. Mr Ozawa offers a programme of fiscal rectitude with greater deregulation and competition. Mr Hashimoto stresses pump-priming to restart growth. One can discern in this the nucleus of an eventual two-party system, offering real choice to voters. In the first instance Mr Hashimoto is likely to ensure, with a radical cabinet reshuffle, that the LDP retains a tight grip on power. This will serve to sharpen his own political

Pitfalls aplenty The progress to open, mature

democracy has a long way still to go. There are pitfalls aplenty. A political system which pays atten-tion to public opinion is harder to manage than one which defers to the financial interests of its elite and to the pragmatic objectives of faceless bureaucrats. The row over the housing lend-

ers' rescue represents only part of the challenge. With more open politics Japan could become distinctly less malleable on the international stage. The alliance with the US, which is crucial to the regional balance of power, could be harder to maintain if public opinion rejected further concessions on trade, and turned increas ingly sceptical over the desirability of US bases on Okinawa.

The task facing Japan's future political leadership is daunting. At home it must find a way of reviving economic growth, while preserving the resources to provide for an ageing population. Abroad it must play a constructive role in Asia-Pacific security, balancing China's growing power without

being seen as a threat to others. What is needed is real statesmanship of the kind that understands how to mould and steer public debate as well as merely

reacting to it.

The hope must be that, as they adapt to the new political reality. Mr Hashimoto and Mr Ozawa learn to provide such leadership from their respective corners. Only when Japan's democracy is both vibrant and transparent will it be able to play a role in world affairs that rightly reflects its substantial economic strength.



Depositors take centre stage

New Zealand has broken with the traditional approach to regulation by relying on markets to discipline banks, says Peter Montagnon

has become renowned for pioneering economic and political reforms that have boosted its competitiveness.

The country has been most radical in its public finances, where a unique system of fiscal accounting requires the government to produce a regular balance sheet setting out its net worth. New Zealand also has an independent central bank. headed by a governor who can be sacked for failing to meet inflation

Now the process of change is reaching the country's banking system, with the introduction this month of a new system of regulation that will rely on the markets to discipline the banks rather than a government regulator.

The new system, which has been three years in preparation, will quarterly statements about their activities to the Reserve Bank, the supervisor. Each bank will have to display a two-page summary of this in every branch to allow depositors to decide whether the institution is trustworthy. It will then be up to the customers rather than the Reserve Bank as supervisor to decide whether they are sound enough to remain in business.

This is a radical departure from the traditional rules agreed under the aegis of the Bank for International Settlements whereby civil servants are responsible for monitoring a bank's health. Though the Reserve Bank has a residual responsibility for protecting the system, it will not bail out a bank that gets into trouble. And if depositors lose money in the process, that is tough luck on them too.

Already the new system has caught the attention of other regulators and central banks, partly

because it seems to get round the age-old problem of moral hazard that besets the traditional approach. If the authorities will rescue any bank that is threatened with collapse, there is little incentive for managers to rein in risks. Moreover, supervisors cannot be blamed for not noticing if things are starting to go wrong.

New Zealand's system puts the

onus on directors to ensure their institution is sound. They are required to confirm publicly that a bank has adequate systems to monitor and control risk. Directors who are shown to have been negligent in checking this may be sued by aggrieved creditors of a failed insti-

According to Mr Don Brash, governor of the Reserve Bank and one of the architects of the new system, this is the nub of the whole idea. prevent the recent losses at Daiwa Bank which built up over 11 years. And with Barings, the fatal build-up of liabilities happened so fast that even quarterly reporting would not have spotted the problem.

In cases such as Barings and Daiwa, however, it was faulty internal control systems that were at the root of the problem. Mr Brash argues that only the directors are in a position to establish robust systems to monitor the business and avoid such losses. The circumstances under which the losses were able to arise might not have occurred had they asked the right questions - for example over whether responsibilities for trading and settlement had been separated. But this argument presumes that independent directors will have more expertise in probing control systems than professional bank

"It's very hard for independent

directors to understand and monitor the risks," says Sir John Anderson, chief executive of National Bank, a Lloyds Bank subsidiary. "You'd wonder why anyone would want to be one," adds Mr Chris Moore, banking professor at Massey University in Palmerston

Bankers also fear that their quarterly reports may be open to misinterpretation - for example, large seasonal fluctuations in profitability could jeopardise confidence unnecessarily. And the reports may undermine commercial confidentiality, because analysts would be able to guess which borrowers had run

up particularly large debts. Another worry has been overdisclosure of so-called market risk for example, a bank's exposure through the derivative markets to sudden changes in interest rates. mat for market risk means this part of the reform will only enter force

r Simon Carlaw, executive director of the New Zealand Bankers' Association, says there is "considerable scepticism" over whether any formula can be devised that means anything to the public and still does not damage an individual bank's competitive position. For Mr Brash, however, the change is an opportunity to upgrade bank boards and weed out directors who are not properly qualified.
"We'll have smaller bank boards in

ter paid directors." He is also ovick to defend the scheme against other criticisms. Traditional supervisors worry that there will be less opportunity for assessing the quality of a bank's

future and probably somewhat bet-

loan book. The supervisors can discuss the identity of individual large borrowers as well as raise questions over the amount a bank has lent. The supervisor can raise that question privately. But, counters Mr Brash, knowing a large borrower's identity simply puts the supervisor in the awkward position of being

the ultimate arbiter of credit risk. Similarly he denies suggestions that the new system relies too heavily on credit ratings issued by agencies such as Moody's or Standard & Poor's. Banks must publish their rating as part of their quarterly statement and disclose the absence of a rating as well. They will thus in effect have to comply with standards on, say capital adequacy, imposed by the agencies.

Mr Brash turns out to be a great fan of these organisations. They have a strong incentive to get their judgments right, he says, or their reputations will collapse. They can also grade a bank, whereas for a supervisor the issue is black or white. Conventional supervisors cannot warn publicly if a bank's condition is deteriorating; they can act only when it is too late.

International reaction to date suggests the idea of market discipline appeals more to the economists in central banks than their professional bank regulator colleagues. Cynics might argue that regulators are more sceptical because many would become redundant if the new system took off. But, being close to the coalface, the regulators can also see the possible pitfalls.

The main one is whether depositors have the skills to decide whether an institution is trustworthy. It is hard to imagine Mr and Mrs Smith of Taranaki scrutinising and understanding the two-page statement before

Bankers also say that New Zealand will be relying on the foreign ownership of most of its banks to avoid embarrassing collapses - all but two of the country's banks are controlled by foreign parents. "Why this works is all because of the overseas ownership of the majors," says Sir John Anderson of National Bank. "There's very little risk of

anyone falling over. Mr Brash admits New Zealand is to some extent riding on the coattails of regulators in other countries who are responsible for supervising the parents of New Zealand banks. But he says New Zealand would probably have gone ahead even if most of its banks had not been foreign-owned with head offices supervised by regulators abroad.

Although they expect other regulators to focus on how effectively the new system disciplines direcexportable the model is.

For example, it is unlikely to be attractive in countries where depositors are protected by some form of insurance against loss if their bank collapses. This puts greater pressure on regulators to supervise banks more actively since the cost of bailing out the depositors falls on the government and other banks which provide the insurance. With no deposit insurance, the New Zealand Reserve Bank is under less pressure to be the guardian of the industry's responsibility.

But other regulators cannot afford to stand back and let the market do its work.

"It's a basic philosophical issue," says Mr Moore of Massey University. "Either you believe that a lender of last resort and deposit insurance is the way to market stability. Or you believe in the market finding its own solution. You canopening a savings account, not really mix the two."

BSERVER

Not so still waters

■ UK fisheries minister Tony Baldry, who has angered Cornish trawlermen by allowing Spanish and Portuguese fleets into the much disputed "Irish Box" waters between western England and Ireland, might consider a tougher

A robust stance certainly doesn't seem to have harmed the career prospects of his Canadian counterpart, Brian Tobin, who was also a little-noticed junior minister until he piloted Ottawa's imaginative and aggressive strategy in last spring's North Atlantic "turbot war".

Having ordered the seizure of a Spanish vessel on the high seas. Tobin then engineered what must be every fishery minister's dream photo-opportunity by displaying the trawler's illegal nets outside the United Nations building in

The spunky Newfoundlander. who started working life as a television reporter, has not looked back since. Today he is expected to make himself available for election as Newfoundland's premier when the present incumbent, Clyde Wells, steps down next month.

No other contenders are likely to enter the ring against the man who has become known from coast to coast as "Captain Canada". Meanwhile, Tobin, 41, is actually

reckoned to have his eye on a hieger catch still. Of course, if he really hopes to be prime minister, he will need to learn French. Then again, if and when his time comes, it could be that he is Captain Canada, sans

Bedside manners

■ It is not just political fends that are clouding the air around the bedside of Andreas Papandreou. Jostling for attention on the sixth-floor of the Onasseion Cardiac Hospital, where the Greek prime minister is recovering from pneumonia, are the prime minister's wife, Dimitra

Papandreou, and his daughter

Sadly, Sophia is not on speaking terms with her stepmother. Like the Greek politicians who are trying to persuade Papandreou to resign, she thinks that Dimitra monopolises too much of the prime minister's rather limited visiting

She also objects to Dimitra's efforts to assist recovery with flasks of holy oil, Byzantine icons and other bits of Orthodox paraphernalia

So there was scant sympathy when Dimitra collapsed last week, suffering from what turns out to be a bout of hepatitis. With Dimitra currently unable to visit her husband for risk of infection, members of Papandreou's

Panhellenic Socialist Movement also reckon they have a better chance of getting him to step down. But they want the request to come from the family. George Papandreou, the prime minister's eldest son and the

education minister, says he will try in the next few days. Sophia will no doubt be there too, standing guard at the door.

Down and out

■ Is nothing sacred? From the start of this year, the BBC World Service, beset by the exigencies of its shrinking Foreign Office budget, has axed broadcasts to France.

Now it emerges that it will be soon on air in Auckland, New Zealand - accompanied by two minutes of commercials every hour. Whatever will the radio service's hugely decidated audience in far-flung corners of the globe make of the trend?

Well, it is one such listener, Chris Woodward, an English-born businessman, who is responsible for this nudge down the slippery Devastated when the World

Service suddenly went off air in his Auckland suburb, he approached the BBC, who kept promising the service would be back. Except nothing happened - until Woodward involved his own company Worldwide Broadcasting and sunk NZ\$1m plus (\$655,308)

into a project that would allow his Kiwi neighbours to hear London calling once again.

While the BBC has agreed to pay the cost of relaying the service by satellite to Auckland, Woodward is on his own from there on. He faces start-up costs of around NZ\$450,000 (\$294,888), and reckons the first year will cost him some NZ\$600,000 (\$393,185). Hence the advertising, which he promises will be "appropriate".

Nor will there be any missed programming, thanks to a "magic box", designed and built in New Zealand, which condenses an hour's worth of broadcasting into 58 minutes by removing the pauses in speech. "You just cannot tell the difference" he says - surely a relief to some of those politicians who sound shrill enough even at normal speed.

Ash hash

Aren't Benson & Hedges' copy writers playing with fire?

An advertisement currently running in Germany depicts a volcano belching thick clouds of smoke, with a caption underneath to the effect that "Mother Earth smokes too, after all".

How long before some passive smoking bore points out that proximity to Vesuvius didn't do the residents of Pompeti a power of good either?

Ginancial Jimes

100 years ago United States Bond issue It was stated last night that the

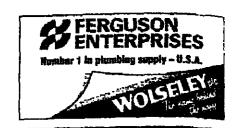
United States Treasury was already receiving sealed applications for the new Bond issue from the public. Market men were, however, more these applications are being received without any deposit being asked for. Evidently the Treasury intends the "stags" to have a good time, and we are not surprised to learn that the applications are very numerous. Assuming our information to be correct, we can quite understand the exultation on the part of Uncle Sam at the prospect of untold gold which awaits him.

50 years ago Greece faces disaster

Matters have gone from bad to worse and have now come to a head. Commodity prices have doubled since 1st December and are now as much as nine times the 30th June level. A 100 per cent increase in wages has just been authorised for December to make the general level five times what it was in June. The main feeling in the country is one of disillusionment bordering on panic. The whole country is convinced that a foreign loan is necessary to save the situation and there is a belief that this will not be granted.

FINANCIAL TIMES

Monday January 8 1996



Banks poised to block reforms plan at London Stock Exchange

The London Stock Exchange faces further controversy over proposals to reform the way in which shares are traded following the abrupt dismissal last week of Mr Michael Lawrence. the exchange's chief executive.

Large investment banks are now poised to block a choice of methods for trading shares in the largest companies in the wake of Mr Lawrence's sacking for having lost the confidence of the exchange's 350 members.

The issue will come to a head with the publication of a consultation document on share trading reforms which is due out this week. The document is set to include the option of a "hybrid"

Hashimoto

judging by calls over the week-

end for a snap general election by

But despite the public criti-

cism. Mr Hashimoto started to

draw up a new cabinet on the

weekend, in which 13 of 20 posts,

Mr Hashimoto needs strong fig-

ures in charge of these two min-

istries to fend off opposition

attacks on the allocation of pub-

lic money for the liquidation of

Agricultural co-operatives, big

lenders to the companies, are the

main beneficiaries of the bailout.

officials to succeed the NHP's Mr

Takemura as finance minister, is

Mr Seiroku Kajivama, an LDP

veteran who helped Mr Hashi-

moto become party president last

September. Mr Murayama will

not seek a job in the new cabinet.

Yeltsin's list

Yeltsin to appoint a close confi-

dant who would unquestioningly

implement his views. Some com-

mentators have tipped Mr Dmitry

foreign policy adviser. He is

believed to have been a critic of

Mr Kozyrev and has argued for a

Despite the assertion that there

would be no change to foreign

policy, the liberal Nezavisimava

Gazveta newspaper suggested Mr

Kozyrev's departure could lead to

a new approach. "It is obvious

that the course which the new

head of the foreign ministry pur-sues will differ strikingly from that of Kozyrev," it said.

But western diplomats said the

differences were likely to be

more assertive foreign policy.

Continued from Page 1

One candidate cited by party

the housing loan companies.

including finance and agricul-

ture, would be from his party.

all Japan's leading newspapers.

Continued from Page 1

However, leading investment banks that currently act as marketmakers on the exchange by offering to buy and sell shares are likely to insist on a single method of share trading, rather than brokers having a choice.

Currently, the marketmakers

commit themselves to quoting buy and sell prices for the shares in which they trade at all times. Mr Lawrence's apparent openness to a hybrid, combining marketmaking with an "orderdriven" alternative - allowing brokers to place on screen offers to buy and sell only those blocks of shares they want to trade at that moment - contributed to

marketmakers' distrust.

board meeting on November 30 to adding "bells and whistles" to the current marketmaking system. They felt he was underestimating the impact of a hybrid trading system.

However, Mr Lawrence is thought to have been largely con-vinced by arguments from marketmakers that a hybrid was impractical.

A technical specification for Sequence VI - the exchange's planned new electronic trading platform - envisages a purely order-driven trading system. The committee deciding on

reforms to coincide with introduction in August of Sequence VI is now dominated by marketmakers following an intervention by

able business would move to the order-driven alternative while they would still have to commit capital to a marketmaking system which would be largely used for the less profitable trading, reducing their returns.

Some marketmakers may accept an order-driven system for the top 350 shares in the belief that large investors will still have to buy and sell big blocks of shares through them rather than

on order-driven trading screens. The steering committee to guide reforms was expanded to include three marketmakers following an intervention by Lord Rockley, chairman of Kleinwort Benson, and Mr Martin Owen, chief executive of NatWest Mar-

Plus ça change?

THE LEX COLUMN

The government has backed down and the strikers have gone back to work: it is almost as if the wave of social unrest which brought France to a virtual standstill last month never happened. Not quite, though: the government caved in on the issue of pension reform, but is pushing through substantial spending cuts, which, in con-junction with tax increases, will eat into France's budget deficit. The cost of the upheaval was that slow growth turned into decline. The economy is still digging its way out, and there is very little chance of achieving the 2.8 per cent growth in 1996 forecast by the

Was it worth all the trouble? Definitely. France still needs pension reform, but the current system will not implode for around 30 years - way beyond most investors' time horizons. Furthermore, France's problems are no worse than those of many other European countries.

Meanwhile, progress has at least been made on budget deficit reduction. Slow growth still means that France will probably fail to meet the Maastricht budget deficit target of 3 per cent of gross domestic product. But provided it can kick-start the economy fairly rapidly, it may overshoot by only half a point or so. This should not necessarily prevent France from joining a single European currency in

To achieve sufficient growth even for that. France needs to cut interest rates rapidly. Lucklly, the German economy is not in great shape either. This means that the Bundesbank is likely to cut rates further in the next few months, giving the French authorities some room for manoeuvre.

US budget debate

The sight of thousands of returning US government workers following President Bill Clinton's latest concessions in the disruptive budget debate should do something to boost investor confidence. Both the Democrats and Republicans are now committed to fiscal restraint in the form of a balanced budget by 2002. Even if they still differ on how to get there, the gap between the two is undoubtedly narrowing, raising the likelihood of an agreement that would provide a favourable environment for further cuts in US inter-

Nonetheless, the financial markets have already written in a sufficiently rosy scenario that it is hard to see scope for substantial further gains.

Share price and indices relative to the FT-SE-A All-Share index

1991

True, if there is agreement, it will remove current uncertainty, so a kneejerk rise in bond and equity markets is to be expected. But with Treasury bond yields already around the 6 per cent mark, there is only limited scope for further improvement. Besides. no agreement on balancing the budget could be set in stone - any meaningful change in economic conditions would make it impossible for future governments to meet the targets.

in the short term, there are still considerable risks. Any signs of an upturn in inflationary pressure would shatter current expectations of rate cuts, undermining both bonds and equities. And in the lead-up to an election, there is plenty of room for nasty surprises. However, investors can take some comfort from history - the equity market has risen in 10 out of the last 12 election years.

UK regulation

According to their critics, privatised utilities are a gold-mine for investors. The reality is rather different. Although the water and electricity sectors have handsomely outperformed the market since privatisation, British Telecom and British Gas have both underperformed by nearly 20 per cent. Nor is this the end of the story: the further businesses get from privatisation, the more difficult they will find it to outsmart regulators by pulling cost savings out of a hat. It is not surprising, therefore, that investors are wary of regulated businesses.

What really irks them about regulation, though, is its unpredictability. The rules are sometimes simply unknown. During last year's spate of electricity takeovers, for instance, everyone would have benefited from a

clearer statement of ministers' criteria

for deciding whether to refer bids to the Monopolies and Mergers Commis sion. Or take the water sector, where the regulator urges companies to share unexpected efficiency gains with customers in return for a vague prom. ise that good behaviour will be rewarded at the next review. In reality, no one can judge how the regulator will take early payouts to custom

This is not the only area where the water regulator has his own approach. Unlike his peers, he thinks special dividends should be matched pound for pound with payments to customers And he wants companies to list some of the shares in their regulated business when they become part of a bigger group. In both cases, water compa nies are subject to rules which other companies are not - simply because of the beliefs of an individual.

The fact that rules vary between industries, even when the same issue is at stake, serves to remind investors that rules may last for only as long as regulators hold their jobs - and sometimes not even that long. The electricity regulator's dramatic volte-face last year is a case in point. The Labour party's proposed windfall tax is another. And the government's alternative to a windfall tax - nabbing a big chunk of the value of the National Grid for customers - was another.

The worst uncertainty of all is that the regulatory regime could be rewritten from scratch. The gas regulator is already consulting on the idea of sharing unexpected profits with customers for British Gas's TransCo business. And the Labour party would like to apply this wheeze more generally.

Profit-sharing in this way is a bad idea because it reduces the incentive to cut costs, which is the only way to benefit customers in the long run. Moreover regulators now have years of experience of price regulation under their belts. A new system would simply provide utilities with lots of new opportunities to evade

Root-and-branch upheaval is not the way to make regulation work better. A more promising step forward would be a clear set of common basic principles. agreed between the regulators and designed to outlive any individual. The results - more consistency, stability and an end to remventing the wheel at every price review - would be good news for investors. By reducing regulatory risk, and hence the cost of capital, it should benefit customers

Orange

High hopes for low-rise Chinese city of the future

Wuhan development offers solution to housing crisis

By Simon Holberton

aking shape in the northern suburbs of Wuhan, an industrial city on the Yangtze River, is an experiment in public housing which is proving to be one of the solutions to China's chronic inner-city housing problems.

On a 66 hectare site a Hong Kong property developer is building low-rise apartment buildings which, at first sight, would seem in keeping in a more developed Asian city. Indeed the comparison New World Development likes to make is with Shatin, a town in Hong Kong's New Territories and one of the more desirable places to live in the colony. But while a 55 sq m flat in Sha-

tin costs about HK\$2.5m (\$323,500), the housing in Wuhan is for people on low incomes and costs just Yn80,000 (\$9,600) for a similar-sized flat. Known as anzhu (peaceful living) housing, it is part of a massive effort at urban renewal in China's inner

It is also part of a solution to the reform of welfare and state enterprises. Large state-run companies in China provide cradle-tograve welfare for their employees, including heavily subsidised housing. Anzhu housing, how-

ever, is for owner-occupation. Companies may make loans to employees to assist them in the initial purchase, but thereafter it is up to the homeowner to maintain the property. This relieves the enterprise of responsibility for upkeep and, as the anzhu estate will have schools and hospitals, of associated social wel-

merely cosmetic. They said it was fare obligations as well. aiready evident the Kremlin was "The government can't afford intent on pursuing a more assertive policy. "The change in Rusto subsidise all the citizens who need housing," says Mr Nam Bin-liang, director of housing in sian foreign policy has already taken place. It was just that Kozyrev was unable to articulate Wuhan. "What is good for the government and the people is for



foreign investors to come in, bring in capital, and build something local people can afford.
"It's the dream of all in Wuhan

to have their own toilet, washroom and living space. In old Wuhan, many have to go to a public toilet or bath. Our research shows that people strongly desire their own self-contained living space."

At Evergreen Gardens, as the known, there are nine different types of apartment nues. When completed in 2000, the development will house about 60.000 families and contain seven primary schools, four high schools, a hospital and a commer-

The buildings are no higher than six storeys because they do not contain elevators but, that modern convenience aside, the flats are roomy and meet the city's requirement that people have at least 8 sq m of living space each, excluding kitchen, toilet and hallways. The project, begun two years

ago, has become a magnet for officials in charge of housing in other Chinese cities. "Many cities from all over China have come to look at Evergreen Gardens, and they come frequently," says Mr

FT WEATHER GUIDE

Zhang Ke Xiao, director of the Wuhan municipal urban and New World Development made its name as a property developer

in Hong Kong, but during the 1980s expanded on the mainland into roads, bridges, power stations and low cost housing. It is particularly active in Wuhan, where it has a hotel and a department store along with near 50 per cent interests in the city's airport, the toll road from

the airport to town, and a toll bridge over the Yangtze. The company recently incorporated a subsidiary, NW China omeowner Development, which will own New World's interests in low cost housing in China. In a private placement of shares, New World raised \$215m from foreign investors which with the \$275m it put up, gives Homeowner \$490m to invest in low cost inner-

It has told investors it can earn a net return on their investment of at least 25 per cent because Wuhan has waived most taxes and charges associated with property development.

The company only has to pay land usage tax of Yn25,000 a hectare instead of the usual Yn250.000 to Yn300,000. The city has waived taxes and fees it would normally charge developers for sewerage, power, education, and licensing In addition, 30 per cent of the

housing built is able to be sold on the open market at market rates.

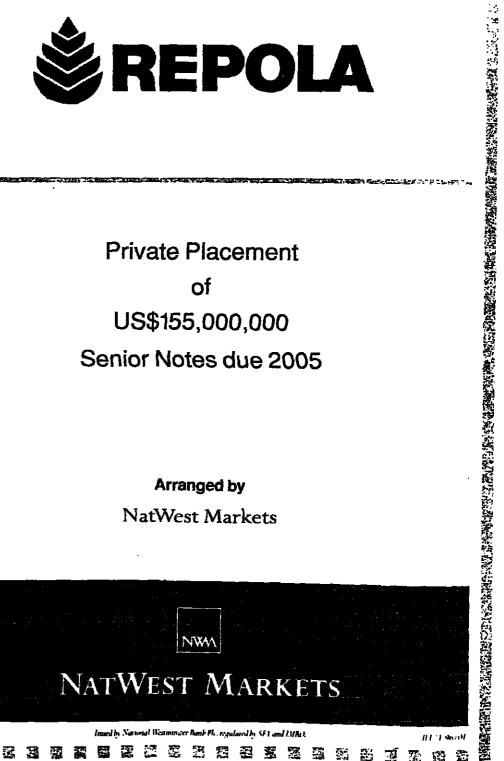
A recipient of anzhu housing pays only Yn910 per sq m, while market rates in Wuhan suggest the company might be able to sell the flats for between Yn2,000 and Yn2,500 per sq m.

But for Wuhan, it is not the complete solution to its housing problems. The city's authorities estimate they need to build 2.8m sq m of housing a year to meet the demands of renewal and pop-

REPOLA

Private Placement of US\$155,000,000 Senior Notes due 2005

> Arranged by NatWest Markets



Europe today A front bringing cloud and patches of

will have mild and rather windy conditions. Storm force southerly winds and heavy rain will affect western France and the UK. The temperatures will be higher than the seasonal average. Regions of eastern France and the Benelux will have some fog. Low pressure over southern Italy will cause rain from Hungary to western Greece and southern Italy. Southern Scandinavia will have a thaw preceded by light snow or ice. Mountainous regions of the Balkans will have blizzard conditions. The Ukraine and northern Russia will stay dry with severe frost. Spain will be sunny on the east-coas

but rain will move in from the west in Spain

treezing rain will move slowly over Poland and the northern Balkans. Western Europe

Five-day forecast

and Portugal.

Some mild air will continue to spread into western Europe. A strong southerly wind will bring warmer conditions to western Scandinavia, it will be windy and wet from the UK across France and into Italy. Eastern Russia will stay cold with widespread frost, but central Europe will be noticeably warmer.

Lufthansa

Caracas Cardiff Casabler Chicago Cologne Daka Dallos Delhi Dubsi Dubsi Dubrovn Edinburg

We can't change the weather. But we can always take you where you want to go.

Faro
Frankfurt
Ganeva
Gibrattar
Giasspow
Hamburg
Helsinite
Honolulu
istanbul
Jakarta
Jakarta
Jersey
Karachi
Kuwait
L Angeles
Las Palmas

rain fair rain rain cloudy cloudy cloudy fair fair shower cloudy snow fair shower fair shower fair sanow fair star cloudy cloudy cloudy cloudy cloudy Rangoon Raykjavík No Rome S. Fraco Seoul Singapore Stockholm Strasbourg Sydney Tangler Tal Aviv Tokyo Toronito Vancouver Varice Vienna Washington Wallington Wallington Wallington

fair shower fair fair cloudy cloudy cloudy shower shower shower cloudy rain fair fair fair fair

shower shower lar sun sun fatr tair rain fatr rain

London London